VOL 20 No 10 OCTOBER 1990

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Prepared for the Foreign and Commonwealth Office by Reference Services, Central Office of Information and published by HMSO

The *Survey of Current Affairs* is produced primarily for use overseas, but in response to requests has also been made available in Britain. Subscription and distribution inquiries should be addressed to HMSO Books, P.O. Box 276, London SW8 5DT, and editorial inquiries to Reference Services, Central Office of Information, Hercules Road, Westminster Bridge Road, London SE1 7DU.
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NOTE
The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

By-election and State of the Parties

Details of the result of a recent parliamentary by-election and the present state of the parties in the House of Commons are given below.

The Labour Party retained the seat at Knowsley South in a parliamentary by-election on 27 September. The seat became vacant following the death of the Labour MP, Mr Sean Hughes, in June 1990. The Labour candidate, Mr Eddie O'Hara, won by a majority of 11,367. The result was as follows:

E. O'Hara (Labour)	14,581
L. Byrom (Conservative)	3,214
C. Hancox (Liberal Democrat)	1,809
R. Georgeson (Green)	656
I. Smith (Liberal)	628

Two other candidates received between them a total of 296 votes; both lost their deposits, as did the Green and Liberal candidates. Votes were cast by 33·6 per cent of the electorate.

At the general election in June 1987, the seat was held by the Labour Party, with Mr Hughes polling 31,378 votes, followed by the Conservative candidate with 10,532 and the Alliance candidate with 6,760. Votes were cast by 74·1 per cent of the electorate.

State of the Parties

Following the by-election, the state of the parties in the House of Commons is:

Conservative	371
Labour	224
Liberal Democrats	19
Social Democrats	3
Labour – Independent	1
Scottish National	4
Plaid Cymru (Welsh Nationalist)	3
Ulster Unionist (Northern Ireland)	9
Democratic Unionist (Northern Ireland)	3
Social Democratic and Labour (Northern Ireland)	3
Ulster Popular Unionist (Northern Ireland)	1
Sinn Fein (Northern Ireland)	1
Vacant seats (Bootle, Bradford North, Eastbourne, Paisley North)	4
TOTAL	646

The four remaining seats are held by the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means), who do not vote except in their official capacity in the event of a tie. The government majority over all the other parties is 100 although the Sinn Fein MP has not taken his seat.

Shorter Notes

MINISTERIAL CHANGES

Mr Patrick Nicholls, MP, Parliamentary Under-Secretary of State at the Department of the Environment, tendered his resignation on 11 October and has been succeeded by Mr Robert Key, MP. Mr Key was formerly Parliamentary Private Secretary to the Secretary of State for the Environment. He joins the Government for the first time.

Viscount Astor was appointed a Lord in Waiting (a Government Whip in the House of Lords) on 11 October. This fills the remaining vacancy left by the ministerial changes in July (see pp 271-2).

EUROPEAN FAST-STREAM PROGRAMME

The Minister of State for the Civil Service, Mr David Mellor, has announced a new recruitment and training scheme designed to increase the number of British citizens working in European Community institutions.

Under the European Fast-stream Programme, the Civil Service Commission will seek to recruit up to 30 graduates each year who will be helped to prepare for the recruitment competitions which are organised by European Community institutions, such as the European Commission. The Government hopes that the scheme will overcome some of the current obstacles to British candidates seeking to enter public service within the Community. These include the current preference in Community institutions for

law and economics graduates; Britain has a tradition of obtaining recruits for public administration from a wide range of disciplines. At the same time the European Commission is planning additional recruitment publicity and in January 1991 will introduce its first regular competition for graduates of all disciplines.

Source: Cabinet Office (Office of the Minister for the Civil Service) news release, 4.9.90.

EXTERNAL AFFAIRS AND DEFENCE

Foreign Policy

Changes in the present world order and the role of the United Nations were the main topics discussed by the Foreign and Commonwealth Secretary, Mr Douglas Hurd, in a speech given to the United Nations General Assembly on 26 September.

Changes in the World Order

Commenting on the peaceful revolution in Eastern and Central Europe in 1989, Mr Hurd said that on 3 October the German people would reunite in peace and democracy. Britain would share wholeheartedly the happiness of the German people and, as one of the wartime allies, was proud of its part in helping forward the unification process. The agreement signed in Moscow was 'a first major achievement of the new world order' (see pp 339-40).

Changes had not been confined to Europe, continued Mr Hurd. In South Africa the State President, Mr F. W. de Klerk, had released Mr Nelson Mandela from prison (see p 63) and had held friendly and determined negotiations with him. It was essential 'to help forward those two men and more important the peace process which they are now undertaking'.

Mr Hurd warned that the world could not be sure of the permanence of the consequences of the 'velvet' revolutions around the world. Although there had been great enthusiasm and achievement, the new order was not safely or completely in place or universally accepted. The Iraqi invasion of Kuwait (see pp 277-80) had brought 'instant soberness to a world which was perhaps in some danger of believing that the millennium had arrived ten years ahead of time'. While there had been other acts of aggression which the United Nations had had to deal with, the attack on Kuwait was a category by itself. Every principle of international law had been flouted and the UN Charter held in complete contempt by Iraq. For these reasons a unique coalition of the international community had been formed against the aggressor.

The Next Decade

Looking to the future, Mr Hurd turned to the system of international relations, in which the basic unit would continue to be the nation state. Although not perfect, it had been supplemented by regional groupings which, where successful, smoothed the rough edges between nation states. Conflict between France and Germany, for instance, was now inconceivable because of structures such as the European Community. Regional groups brought together by choice the efforts of member states for a particular purpose and this would endure.

One of these bodies, Mr Hurd said, was the European Community, which since 1985 had developed a new momentum. Britain expected the Community's future development to be wider and deeper, involving enlargement to include new members. These could come from the European Free Trade Association or from Eastern and Central Europe. 'It seems to me inconceivable that the Europe of Twelve which we have today could, or would wish, indefinitely to shut the door of membership against fully qualified European democracies which are anxious to join.' The Community was being deepened by completion of the single European market and the consequent dismantling of barriers to trade in goods and services and to movements of people (see pp 167-8). Two intergovernmental conferences were being prepared for December 1990 and Britain's approach in these discussions would be 'liberal, open [and] evolutionary'.

European Security

Another structure, Mr Hurd continued, was the Conference on Security and Co-operation in Europe (CSCE – see pp 238-9), whose members were working to establish more firmly a common system of values and standards for behaviour among European states. Britain believed that the rule of law and free elections had to be guaranteed and that progress should be made towards a common understanding of the fundamental freedom of individuals and the duties of government (see pp 274-5).

European security, said Mr Hurd, would be improved by a successful negotiation of the treaty on conventional forces (see p 201). This would bring about a rough military balance in Europe and remove the ability of all signatories to launch a surprise attack or start large-scale offensive action. Once the treaty was signed, the CSCE summit in November 1990 would consider further ideas, including those of Britain, about a new centre for reducing risks, building confidence and preventing conflict in Europe. Every move made towards greater openness and honesty between nations made it harder to envisage the kind of misunderstanding that could lead again to European conflict.

The Middle East

Commenting on issues in the Middle East, Mr Hurd pointed out the need for a just solution of the Palestinian problem (see pp 340-1). He added: 'We have no intention of forgetting that piece of unfin-

ished business, but any solution to that problem will have to rest on respect for international law.' This was why Iraq's aggression against Kuwait had to be dealt with first, since the chances of a more secure world order depended directly on the success of the international coalition in reversing Kuwait's occupation.

It was, nevertheless, not too early to start thinking about how long-term security could be achieved. The example of the CSCE could be useful to the states in the area which would have to take the initiative. That process had allowed political dialogue and the building of confidence in Europe, where states increasingly trusted each other and felt more secure.

The United Nations

The search for security was worldwide, Mr Hurd continued. Although the United Nations had been formed to create and maintain stability, its security mechanisms had not had the chance to work as intended and had been frozen by the Cold War. However, the recent new unity of purpose within the Security Council had given it unprecedented vigour. The Security Council resolutions over Kuwait had been crucial, and other examples of United Nations action had been Namibian independence, which was achieved peacefully under UN auspices (see pp 131-2), and the agreement in August 1990 on a framework for a comprehensive political settlement in Cambodia (see pp 341-2). International peacemaking and peacekeeping would remain the core of the United Nations' work.

The United Nations had to tackle massive human problems which nation states and regional groupings could not handle effectively themselves. More resources were required for the UN's drug units, which needed to be streamlined into one structure (see p 434, 1989). Environmental problems, such as global warming, could be tackled only by the world community acting together through the United Nations and its agencies.

Conclusion

Concluding, Mr Hurd said that Britain sought to bring practical realism to current international tasks. A huge amount remained to be done, much of which was daunting. Britain was more hopeful than before that the international community, through the United Nations, was equal to the task. The new order had, first, to succeed in getting Iraq out of Kuwait and, once that was done, Mr Hurd believed that the last decade of the century could well turn out to be the safest and most successful.

Iraq's Invasion of Kuwait

Britain supported further United Nations Security Council measures on the Gulf crisis during September, including an air embargo against Iraq and Kuwait.

Imposition of Air Embargo

On 25 September the UN Security Council adopted resolution 670 (1990) by 14 votes to 1 (Cuba voting against), instituting an air embargo on Iraq and Kuwait. This confirmed that resolution 661 (1990), imposing sanctions (see pp 278-9), applied to all means of transport, including aircraft. Resolution 670 declared that all countries should deny permission to any aircraft to take off from their territory if the aircraft was carrying any cargo to or from Iraq or Kuwait other than food in humanitarian circumstances, or supplies intended strictly for medical purposes or solely for the UN Iran-Iraq Military Observer Group (see p 267, 1988).

The resolution added that all countries should deny permission to overfly their territory to any aircraft destined to land in Iraq or Kuwait unless it had been inspected to ensure that it had no cargo on board in violation of resolution 661, or unless the particular flight had been approved by the UN Sanctions Committee (see p 279).

All states were called upon 'to co-operate in taking such measures as may be necessary, consistent with international law . . . to ensure the effective implementation of the provisions of resolution 661 (1990) or the present resolution'. Measures would be considered against states which evaded these provisions.

The resolution also called upon states to deny entry to their ports, or to detain, Iraqi shipping involved in the violation of sanctions provisions.

In the light of the increasing number of requests for assistance received from states facing economic hardship as a result of the embargo against Iraq, the Security Council unanimously adopted resolution 669 (1990) on 24 September. This authorised the UN Sanctions Committee to examine such requests under Article 50 of the UN Charter[1] and to recommend appropriate action to the Security Council.

British Statement

Addressing the UN Security Council on 25 September, the Foreign and Commonwealth Secretary, Mr Douglas Hurd, welcomed the resolve of the international community to resist Iraqi aggression, which had faced the 'post-cold war world with its first crucial test'. Iraq's action was 'a breach of international law, given greater horror by the pillage of Kuwait, the ruthless treatment of foreign hostages, Kuwaitis alike', and could not become a pattern for international relations in the future.

Mr Hurd recognised that there were many small countries with reason to fear the unfriendly attentions of a more powerful neighbour. If Iraq was allowed to retain the spoils of conquest, other would-be aggressors would take heart. The coalition of peacekeeping forces had assembled to deter the Iraqi threat to the stability and security of the Gulf. The tightening of sanctions through the adoption of resolution 670 would help to bring about the peaceful reversal of Iraq's aggression against Kuwait.

[1] Article 50 states: 'If preventive or enforcement measures against any state are taken by the Security Council, any other state, whether a Member of the United Nations or not, which finds itself confronted with special economic problems arising from the carrying out of those measures shall have the right to consult the Security Council with regard to a solution of those problems.'

Other United Nations Resolutions

Food Supplies in Iraq and Kuwait

On 13 September the Security Council adopted resolution 666 (1990) requesting the UN Secretary-General to seek urgently, and on a continuing basis, information on the availability of food in Iraq and Kuwait from the relevant UN and other appropriate humanitarian agencies and to inform the Security Council's Sanctions Committee of his findings. The resolution was approved by 13 votes to 2, Cuba and Yemen voting against.

The resolution further requested that in seeking such information particular attention should be paid to the needs of children under 15 years of age, expectant mothers, maternity cases, the sick and the elderly. Should the Sanctions Committee find an urgent humanitarian need to supply foodstuffs, these should be provided and distributed through the United Nations in co-operation with appropriate humanitarian agencies.

Iraq was urged to comply with its obligations under Security Council resolution 664 (see p 311) in respect of third state nationals. Iraq's responsibility for their safety and well-being in accordance with international humanitarian law was reaffirmed.

Iraqi Diplomatic Violations

In response to violations by Iraqi forces of the diplomatic premises in Kuwait of some European Community member states (see below) and other countries, the UN Security Council unanimously adopted resolution 667 (1990) on 16 September. This condemned 'aggressive acts perpetrated by Iraq against diplomatic premises and personnel in Kuwait, including the abduction of foreign nationals who were present in those premises'. It called for the release of these foreign nationals as well as all nationals mentioned in resolution 664.

The resolution demanded that Iraq comply with its international obligations under Security Council resolutions, the Vienna Conventions on diplomatic and consular relations (see p 311) and international law. It further demanded that Iraq protect the safety and well-being of diplomatic and consular personnel and premises in Kuwait and in Iraq and take no action to hinder the diplomatic and consular missions in the performance of their functions.

The Security Council would consult urgently in order to take further concrete measures as soon as possible in response to Iraq's continued violation of the UN Charter, resolutions of the Council and international law.

Diplomatic and Civilian Expulsions

Meeting on 17 September, European Community foreign ministers agreed to expel all Iraqi military attachés and to restrict the movement of remaining embassy staff. This co-ordinated move was in retaliation for Iraqi incursions on 14 September into the diplomatic premises in Kuwait of some Community member states and the detention of their nationals. Britain ordered the expulsion of the Iraqi military attaché, his assistant and eight support staff. Iraq reacted to these measures by ordering the expulsion from Baghdad on 21 September of the British defence attaché and two clerks, as well as the military attachés and some diplomatic staff of other Western countries and of Egypt.

The Home Secretary, Mr David Waddington, decided on 17 September to make deportation orders against 23 Iraqi nationals whose presence in Britain was considered not to be conducive to the public good for reasons of national security. On 21 September he announced changes in immigration arrangements to prevent the admission of new Iraqi students to Britain.

From 23 August a transit visa concession, under which airline passengers who are booked on an onward flight leaving Britain within 24 hours of their arrival do not need a visa, had been withdrawn from Iraqi transit passengers.

Statement on British Deployment

In a statement on 1 October the Secretary of State for Defence, Mr Tom King, announced the appointment of Lieutenant General Sir Peter de la Billière as British Forces Commander, Middle East, who would exercise operational control over all British sea, land and air forces in the Gulf area. Mr King explained that this appointment of a more senior commander reflected the greater scale of the British contribution to the multinational force following the deployment of an armoured brigade, additional aircraft and other supporting units (see p 312).

Command Structure

Command and control arrangements were being finalised to enable the armoured brigade 'to operate effectively with Saudi, United States and other forces as appropriate'. Mr King said that in accordance with normal practice between host states and allies the use of British forces in combat operations would be the subject of a joint decision. At the same time, these forces would remain under ultimate British command. Should military action become necessary, operations would be carried out 'in accordance with plans developed through the multinational command structure'.

Mr King continued: 'The command arrangements we have agreed provide for United Kingdom forces to be placed under the practical control of the US Commander for specific action where this makes military sense. Equally, the [British] 7th Armoured Brigade may have US units, such as helicopters, assigned to its tactical control. UK forces have long operated alongside other countries' forces in this way in NATO.' On such a basis the British armoured brigade would work alongside the US Marines in north-east Saudi Arabia.

Support Measures

The Secretary of State announced the provision of extra support elements for the armoured brigade, increasing the total personnel to 9,500. He also outlined the comprehensive medical facilities that would be available for the approximately 15,000 British forces committed to the operation in the Gulf.

Concluding, Mr King emphasised that 'while we seek the implementation of United Nations resolutions by peaceful means, we are determined to ensure that other options remain available and that one way or another Saddam Hussein will lose'.

European Community-Soviet Statement

European Community member states and the Soviet Union adopted a joint statement on 28 September on the 'unresolved situations of conflict in the Middle East and the Gulf'.

Gulf Crisis

The statement said that Iraq's invasion and occupation of Kuwait violated fundamental principles of the UN Charter and international law and could not be tolerated. It demanded that Iraq comply with the UN Security Council resolutions and unconditionally withdraw from Kuwait. It expressed satisfaction at the high degree of consensus among all members of the Security Council and the international community as a whole concerning the need to restore international legality. The preservation of this consensus and full compliance with the UN embargo against Iraq were necessary to achieve a political solution to the crisis.

The European Community and the Soviet Union would continue to adhere to the sanctions decided upon by the Security Council and were prepared to consider additional steps consistent with the UN Charter. The Iraqi Government was urged to allow all foreign citizens who so desired to leave Iraq and Kuwait immediately.

The Middle East

The European Community and the Soviet Union were determined to multiply their efforts aimed at resolving the other conflicts in the Middle East, such as the Arab-Israeli conflict, the Palestinian problem (see pp 340-1) and the situation in Lebanon (see pp 205-6). They remained committed to the attainment of a 'just, comprehensive and lasting peace in the region, in compliance with the relevant resolutions of the UN Security Council'.

Wishing to contribute to the security and welfare of the region, they confirmed their readiness to co-operate with countries in the area in drawing up a set of rules 'capable of fostering peace, tolerance, stability, economic co-operation and development'.

The joint statement concluded that 'practical measures should be taken, concurrently and in conjunction with the peace efforts in the Middle East, to build a climate of confidence aiming at resolving the problems of the whole area, to curb the arms race and to prevent the proliferation of weapons of mass destruction through adherence to the appropriate international agreements (see pp 307-8) as well as through specific regional measures'.

Foreign Nationals in Kuwait and Iraq

It had been decreed by the Iraqi Government during August that harbouring a foreigner from the authorities was a crime in the category of espionage punishable by death. An Iraqi diplomatic note to that effect was sent to foreign embassies in Baghdad, additionally asking missions to state whether any of their own or other nationals were residing in embassy properties.

On 27 September, Britain announced the rejection of the Iraqi note as a 'further example of blatant Iraqi disregard for international law'. By that date, 245 British citizens were known to have been detained by the Iraqi authorities. The evacuation of British women and children who wished to leave Iraq and Kuwait was maintained during September.

International Islamic Conference

The World Islamic Conference on the Gulf crisis, which ended in Mecca on 12 September, expressed condemnation of the Iraqi aggression against Kuwait, called for unconditional Iraqi withdrawal and the restoration of the legitimate Kuwaiti Government. It urged the Iraqi Government to abide by international law in respect of persons, property and foreign embassies in Kuwait. The Conference considered that Saudi Arabia's request for foreign military assistance was justified by necessity and was thus in accordance with Islamic law. When the Iraqi threat to the kingdom had receded, the foreign forces should be withdrawn.

Amnesty International Report

On 3 October, Amnesty International claimed that Iraqi forces had tortured and executed scores of people during the occupation of Kuwait. The report is based on interviews with refugees who have fled Kuwait and on investigations in Bahrain by representatives of the organisation. The testimony of victims and eye-witnesses indicates that widespread arrests, torture under interrogation, summary executions and mass killings by the Iraqi authorities have taken place.

On 4 October, Mr Hurd said that details of the report 'capture a flavour of a kind of regime and kind of world which we are trying and thought we had made some progress in eradicating'.

European Monetary System

Britain has joined the exchange rate mechanism of the European Monetary System. The value of sterling in relation to eight other currencies now fluctuates within a narrow band.

Britain joined the exchange rate mechanism (ERM) of the European Monetary System on 8 October. The central exchange rate for sterling is now £1 = 2·95 Deutsche Mark – and the equivalent in the other eight ERM currencies – with a permitted initial fluctuation of 6 per cent in either direction. The Chancellor of the Exchequer, Mr John Major, made his statement on 5 October, combining it with the announcement of a reduction in interest rates. He said that a tight monetary policy and a firm exchange rate were essential to the reduction in inflation. ERM membership was aimed at reinforcing monetary discipline.

The Chancellor explained that it had become increasingly clear that the Government's sustained policies of high interest rates and firm budgetary control were now reducing inflationary pressures. Monetary growth had fallen very sharply to within its target range and the growth in demand had slowed and was still doing so. Although the recent rise in oil prices would continue to feed through for some time, the prospect over the coming year was

for a substantial reduction in inflation in absolute terms and in relation to other European countries. A cut in interest rates was therefore justified; accordingly, bank base rates would be reduced from 15 per cent to 14 per cent on 8 October.

[Mr Major made a statement on Britain's ERM membership to the House of Commons on 15 October (*Hansard*, Vol 177, No 154, cols 928-9). He spelled out further aspects in his Mansion House speech on 18 October, which will be covered in the November issue of the *Survey of Current Affairs*.]

German Unification

Britain welcomed the treaty signed in Moscow in September by the four wartime allies (Britain, France, the Soviet Union and the United States) and the two German states, which restored full sovereignty to a unified Germany on 3 October.

British Views

Speaking in Moscow on 12 September after the signing of the treaty, the Foreign and Commonwealth Secretary, Mr Douglas Hurd, said that Germany would have the right to stay in the North Atlantic Treaty Organisation (NATO) with Soviet consent. Germany would continue to renounce nuclear weapons, and was prepared to limit its armed forces to 370,000 within three or four years. Soviet garrisons would leave by the end of 1994, and Britain and other Western forces would stay in Berlin at Germany's request while Soviet forces remained in eastern Germany. 'That is a very satisfactory outcome from the British point of view', he concluded. 'It reconciles the objectives we went into it with, which is to make sure that Germany is united in a way which is compatible with NATO and also respects the legitimate security rights and wishes of the Soviet Union.'

Other Views

Speaking at a press conference, the Soviet foreign minister, Mr Eduard Shevardnadze, said that the treaty had taken into account the balance of legitimate interests of all the participants. Although there was widespread concern that the new country might do damage to the security of the Soviet Union and of Europe, he believed that the four powers had received 'all the necessary safeguards, commitments and guarantees consistent with the actual situation in Europe. . . . the same security guarantees are extended also to the united Germany as well as to all the other European nations.'

The foreign minister of the Federal Republic of Germany, Herr Hans-Dietrich Genscher, said that the treaty demonstrated the goodwill of all the participants and sought to ensure a better future for Europe. Germany wanted to make its contribution to European peace and stability. He added: 'the establishment of nationhood and unity of Germany does not create new problems for Europe but rather promotes the solutions of the existing problems'.

For the United States, the Secretary of State, Mr James Baker, said that the result of the negotiations was a sovereign Germany that was unified in peace and freedom, a member of NATO and the European Community, and a willing partner in the building of Europe. Germany was reconciled with its neighbours to the East and West, with the definitive borders confirmed by mutually binding international legal agreements and by a final treaty, fully supported by Germany's allies, neighbours and the international community.

The Treaty

Article 1

The united Germany comprises the territories of the two German states (the Federal Republic of Germany and the German Democratic Republic – GDR) and Berlin. The external borders of the united state are the borders of the former German states. The united Germany says that it has 'no territorial claims whatsoever against other states and shall not assert any in the future'. Germany and Poland will confirm the existing border between them in a treaty that is binding under international law.

Article 2

Under the German constitution it would be 'unconstitutional and a punishable offence' for Germany to make 'acts tending to and undertaken with the intent to disturb the peaceful relations between nations especially to prepare for aggressive war'. Both German states declared that Germany would never employ any of its weapons except in accordance with its constitution and the United Nations Charter.

Article 3

Germany would abide by the commitment to renounce the manufacture and possession of and control over nuclear, biological and chemical weapons. On the question of the size of German conventional forces, the treaty says that the Federal Republic, with the full agreement of the GDR, had stated during the Conventional Forces in Europe negotiations in August 1990 that it would undertake to reduce the strength of the armed forces of the united Germany to 370,000 within three or four years. This reduction would commence on the entry into force of the first Conventional Forces in Europe agreement on conventional arms (see p 238).

Article 4

Germany and the Soviet Union are to settle by treaty the conditions and the duration of the presence of Soviet armed forces on the territory of eastern Germany and Berlin, and their withdrawal, which is to be completed by the end of 1994.

Article 5

Until that date only German defence units not integrated into alliance structures (this means German forces not integrated into the military structure of NATO) will be stationed in former GDR territory; armed forces of other states will not be allowed to be stationed there or to carry out any other military activity. While Soviet forces remain, British, French, and US forces will, 'upon German request', stay in Berlin, although limited to their current strength and equipment.

Following the withdrawal of Soviet forces from eastern Germany and Berlin, German forces

assigned to NATO will be allowed to be deployed in eastern Germany, but without nuclear weapons or dual-capable conventional weapons systems, even if they are equipped solely for conventional use. Foreign armed forces and nuclear weapons or their carriers would not be allowed to be stationed or deployed in eastern Germany.

Article 6

The right of a united Germany to belong to alliances is not affected by the treaty. This article, therefore, allows Germany to remain in NATO.

Article 7

Britain, France, the Soviet Union and the United States terminate their rights and responsibilities related to Berlin and to Germany as a whole, while Germany receives full sovereignty over its internal and external affairs.

Article 8

The treaty should be ratified or adopted 'as soon as possible'.

United Germany

In May 1990 the two German states signed a treaty on economic, monetary and social union, with the Deutsche Mark becoming the common currency on 1 July. Negotiations on the draft treaty on unification began in East Berlin in July and were concluded in Bonn (the then capital of the Federal Republic) on 24 August. That treaty allowed the accession of East Germany to the Federal Republic on 3 October in accordance with Article 23 of the Federal Republic's constitution. The capital of Germany is now Berlin. The question as to the seat of parliament and government is to be resolved after unification.

A federal structure for Germany was established in 1871. It was abolished under the Nazi dictatorship (1933-45), and was reintroduced when the Federal Republic of Germany was created in 1949. The GDR dissolved its own states in 1952. The united Germany constitutes 15 states; Berlin will become the sixteenth after state elections in December 1990. Elections to five states in eastern Germany took place on 14 October. On 2 December all-German elections to the federal parliament will take place. The official name of the new Germany is the Federal Republic of Germany.

Israel and the Palestinians

Britain's views on the need for a solution to the Palestinian problem were set out by the Foreign and Commonwealth Secretary, Mr Douglas Hurd, in a speech in London on 4 October. The United Nations Security Council has condemned the killing of Palestinians in Jerusalem by Israeli security forces on 8 October.

MR HURD'S SPEECH

Mr Hurd said that, although international activity was focused on the crisis in the Gulf (see pp 336-8), it was a mistake to forget other problems in the Middle East region, in particular the issue of Palestine. However, he did not think that any new initiatives could be pursued until Iraq had withdrawn from Kuwait in conformity with UN Security Council resolutions. He dismissed Iraq's claim to be promoting the Palestinian cause.

International Co-operation

The Foreign and Commonwealth Secretary considered that the model of co-operation among the five permanent members of the UN Security Council over the Gulf crisis could be used to tackle the Palestinian problem. He added that the five members 'could prepare the way for the international conference which . . . is likely to be necessary'.

Improvements in the wider international political climate had not been reflected in the Middle East. However, the abandonment by the Soviet Union of its 'negative destructive policy' in the region was to be welcomed, as were increasing Soviet contacts with Israel and the reopening of diplomatic relations with Saudi Arabia.[1] Mr Hurd added: 'The Soviet position is now so close to our own and that of our partners in the European Community that . . . we had no difficulty in agreeing a joint declaration of some substance' (see p 338).

Mr Hurd emphasised that there must eventually be direct dialogue between Israel and Palestinian representatives. 'The prospects of progress through an international conference are bound to be limited unless and until the two principal parties are talking to each other and about the real issues.'

Reconciling Israeli and Palestinian Needs

Anyone with a sense of humanity, said Mr Hurd, had to feel some sympathy with the Palestinians. Their lands were occupied and they were denied political rights. The uprising by Palestinians in the Occupied Territories (see p 13, 1989) continued in the face of Israel's 'misguided policy' towards them. However, justice for the Palestinians had to be reconciled with Israel's right to credible security within its borders, as laid down in UN Security Council resolution 242, passed in 1967 (see p 12, 1989).

The Foreign and Commonwealth Secretary was critical of the Palestine Liberation Organisation (PLO) for having 'found excuses for the occupation of an Arab land' by Iraq (see p 280). He said that the PLO had put at risk the progress that it had made in gaining international respect and had weakened the impact of the Palestinian cause. He added: 'With Iraq out of Kuwait, it is the moderate Arab opinion which will triumph and will be in the ascendancy over the extremists. This should be an opportunity . . . [to] bring about at last the chance to secure the acceptance of the State of Israel behind secure borders.'

Long-term Regional Security

Mr Hurd said that all parties with a direct interest in the region should be allowed a seat at an international Middle East conference, at which the principles guiding discussions should be the exchange of land for peace, secure borders for Israel and self-determination for the Palestinians. He recognised a desire among countries in the region to work out a

[1] On 17 September a joint Saudi-Soviet statement said that diplomatic relations would be restored.

long-term collective security system. Concluding, Mr Hurd proposed the Conference on Security and Co-operation in Europe (see p 239) as a possible model for conflict resolution in the Middle East.

UNITED NATIONS RESOLUTION

On 8 October over 20 Palestinians were shot dead in Jerusalem by Israeli security forces after violence involving Palestinians and Jewish worshippers broke out around Temple Mount, a site sacred to both Muslims and Jews. More than 150 people were injured. Further clashes between Israeli troops and Palestinian demonstrators occurred on 10 October.

The UN Security Council condemned the Israeli actions with resolution 672 (1990), unanimously adopted on 13 October. It reaffirmed that a lasting solution to the Arab-Israeli conflict had to take into account the right to security for all states in the region, including Israel, as well as the legitimate rights of the Palestinian people. The resolution condemned the 'acts of violence committed by the Israeli security forces resulting in injuries and loss of human life' on 8 October. It called on Israel to abide by its legal obligations and responsibilities in the Occupied Territories under the Fourth Geneva Convention (see p 311). The Security Council welcomed the decision of the UN Secretary-General to send a mission to the region, requesting that his findings and conclusions be submitted to the Council before the end of October 1990.

In his statement as president of the Security Council, the British Permanent Representative, Sir David Hannay, explained that the purpose of the UN mission to the region would be to investigate the circumstances surrounding the violence in Jerusalem 'and other similar developments in the Occupied Territories'. The mission would then make recommendations to the Council on ways and means for ensuring the safety and protection of the Palestinians under Israeli occupation.

Speaking in Egypt on 14 October, the Foreign and Commonwealth Secretary repeated Britain's condemnation of the 'excessive use of force' against the Palestinians in Jerusalem. He added that the 'international community, including Israel's closest friends, feel anxiety and more at Israel's actions'. Although the Security Council resolution had been difficult to achieve, Mr Hurd considered that it fitted the occasion.

The Israeli Government rejected resolution 672 on 14 October and stated that it would not receive the UN investigating mission.

Cambodia

Britain and the other four permanent members of the United Nations Security Council have put forward proposals for a settlement of the conflict in Cambodia. On 20 September the Council adopted a resolution endorsing the proposals.

In August 1989 an international conference on Cambodia took place in Paris (see pp 66-7), where the need for a comprehensive settlement was discussed and a number of proposals put forward. In the first eight months of 1990 the five permanent members of the UN Security Council – Britain, France, the People's Republic of China, the Soviet Union and the United States – held six meetings in order to define the key elements of a comprehensive political settlement based on an increased UN role. Agreement was reached at the sixth meeting on 27 and 28 August.

Between 9 and 11 September the Cambodian parties involved in the conflict met at Jakarta, Indonesia, and accepted the Five's proposals. They agreed to form a Supreme National Council (SNC), which would represent Cambodia externally and designate representatives to occupy Cambodia's seat at the United Nations, its specialised agencies and other international institutions.

PROPOSALS

The framework document agreed by the Security Council's permanent members envisages:

- transitional arrangements regarding the administration of Cambodia during a pre-election period;
- military arrangements during this period;
- elections under UN auspices;
- human rights protection; and
- international guarantees.

Administration of Cambodia

The document stresses the need for one legitimate body and source of authority to enshrine Cambodian national unity during the transitional period leading up to free elections. The composition of a Supreme National Council of Cambodia would be decided by the Cambodian parties through consultations and no party would be able to have a dominant position. The SNC would be composed of representative individuals with authority among the Cambodian people and be committed to 'the holding of free and fair elections as the basis for forming a new and legitimate government'. It would embody the independence, sovereignty and unity of Cambodia and occupy the country's seat at the United Nations, the specialised agencies and other international organisations.

Once a comprehensive political settlement was signed, the SNC would delegate to a United Nations Transitional Authority in Cambodia (UNTAC) all powers necessary to ensure the implementation of the agreement, including those related to the conduct of free and fair elections. In order to ensure a neutral political environment, the United Nations would take control of agencies which could directly influence the outcome of such elections.

Military Arrangements

The Five state that UNTAC should also have a military role in order to:

- verify the withdrawal from Cambodia of all foreign forces and their equipment;
- monitor the cessation of outside military assistance to all Cambodian parties; and
- locate and confiscate caches of weapons and military supplies.

UNTAC, say the proposals, should be composed of contingents supplied by UN member states and chosen in consultation with the parties concerned and with the approval of the Security Council.

The Five stress that once an agreement is signed between the parties, all forces should disengage, and a cease-fire should take effect once an agreement is implemented.

Elections

Under the proposals, the United Nations would be responsible for the organisation and conduct of free elections on the basis of genuine and verified voter registration lists of Cambodian citizens. The electoral procedures would have to be, and be seen to be, impartial. In addition, all participants would have the same rights, freedoms and opportunities to take part. All parties would have to commit themselves to honouring the results. The elections would be to a constituent assembly, which would draft and approve a constitution and transform itself into a legislative assembly which would create the new government.

Human Rights

Special measures to assure protection of human rights were necessary, the Five point out. A comprehensive political settlement required certain guarantees during the transitional period, namely:

- a programme of human rights education to promote respect for, and understanding of, human rights;
- human rights oversight of all aspects of the transitional administration; and
- investigation of human rights complaints and corrective action where appropriate.

After the elections, the UN Human Rights Committee would continue to monitor closely the human rights situation in Cambodia, including, if necessary, the appointment of a special rapporteur who would report findings to the Commission and the General Assembly every year.

International Guarantees

The Five stress the need for international guarantees to safeguard the independent and neutral status of Cambodia and to prevent human rights abuses. They propose, as part of a comprehensive political settlement, that the states participating in the Paris conference (see pp 344-5, 1989) should conclude a multilateral agreement to recognise and respect the independence, sovereignty, territorial integrity, neutrality and national unity of Cambodia.

SECURITY COUNCIL RESOLUTION

On 20 September the Security Council passed resolution 668 (1990), which endorsed the Five's proposals. It welcomed their acceptance by the Cambodian parties and their commitment, in full co-operation with other participants in the Paris conference, to elaborate the proposals into a comprehensive political settlement. It supported the agreement reached by the Cambodian parties to form an SNC and called upon the co-chairmen of the Paris conference (France and Indonesia) to reconvene it with a view to drawing up a plan to implement the political settlement. The Security Council urged all parties to the conflict to exercise maximum self-restraint in order to create a peaceful climate.

British View

On 8 October a Foreign and Commonwealth Office spokesman said that Britain's objective was to create the conditions which would enable the Cambodian people to elect a government, free from the fear of foreign invasion, civil war or Khmer Rouge atrocities. Britain had never given, and would never give, aid of any sort to the Khmer Rouge.

The statement said that the Five's plan and UN Security Council resolution 668 were major steps towards peace and security in South-East Asia. Britain hoped that they signalled the beginning of the end of the 11-year conflict, which had brought untold misery and suffering to the Cambodian people.

The British Council

The British Council's expanding operations in Eastern and Central Europe and its assistance in Southern Africa and East Asia are detailed in its annual report for 1989-90.

The British Council, an independent and non-political organisation, promotes the appreciation of Britain abroad and is the principal agent for British cultural relations overseas. Represented in nearly 90 countries, the Council's activities include:

1 helping people to study, train or make professional contacts in Britain and enabling British specialists to teach, advise or establish joint projects abroad;

2 teaching English and promoting its use;

3 providing library and information services;

4 promoting British education, science and technology; and

5 making British arts and literature more widely known.

The Council's annual report was published in October.[1]

Finance

The Council's receipts in 1989-90 totalled £321 million. Government grants amounted to £110 million. The Council's own earnings were £55 million, of which £31 million came from the direct teaching of English. Agency receipts from the Overseas Development Administration (ODA) and the Foreign and Commonwealth Office for programmes which were managed on their behalf totalled £157 million. Business sponsorship of the Council's work increased to £2·5 million. Government grant for the year 1990-91 is being increased by £8·6 million.

[1] *Annual Report and Accounts 1989-90.* Available free from the British Council, 10 Spring Gardens, London SW1A 2BN. ISBN 0 86355 105 X.

Overseas Network

The Council's overseas network was enlarged during 1989-90. New offices were opened in the Irish Republic, Ivory Coast, Mozambique and Namibia. A regional office for the Caribbean was reopened in Jamaica after a 20-year absence and a new regional office for south China was established (see p 344). A Council presence was also reinstated in Malta after an 11-year absence.

Other developments were the opening of a new library in eastern Nigeria and a new centre in Johannesburg, South Africa; new English teaching centres in East Jerusalem, in Oviedo, Spain, and in Damman, Saudi Arabia; four new resource centres in the People's Republic of China (see p 344); and two new university-based English teaching centres in Poland and a further one in Hungary.

Eastern and Central Europe

In its forward planning for 1989-90, the Council was conscious of the likely impact of political and economic reform on educational and cultural opportunities in countries of Eastern and Central Europe. It therefore laid plans for an increase in its operations in the region beyond government-to-government cultural exchange programmes. It aimed to focus on assisting market and financial development training ahead of economic reform, and to build up the availability and effectiveness of English teaching services.

The Council responded quickly and practically when the pace of change accelerated towards the end of 1989 (see pp 453-6, 1989), taking advantage of its reputation and network of contacts in the region and of its capacity to manage large-scale educational and training projects financed by institutions such as the World Bank and the ODA.

The Council has recognised that the major English language teaching opportunities lie in Eastern and Central Europe. It estimates that between 60 and 80 per cent of the secondary school population will now elect to learn English as their first foreign language. In response to the likely demand for English the Council prepared new initiatives, including national teacher education programmes jointly designed for Poland and Hungary; English language training for key groups of people in commerce and industry, banking and finance, public administration and the media; and the English Language Contact Scheme, designed to create influential English language teaching networks.

The Council was involved in planning for the Government's know-how funds for Central and Eastern European countries (see pp 13, 131 and 243-4), intended to enhance democratisation and the development of free-market economies. A number of Council initiatives were implemented, including sector surveys to establish policy and priorities in specific areas, such as financial services and management training; study tours and visits to Britain; consultancies by British specialists; and the design of scholarship programmes, industrial attachments and courses in Britain.

Projects underway include a range of management training initiatives in Poland, particularly in corporate finance and financial and management accounting. British training for managers from other Eastern European states, co-financed with partner countries or the private sector, has been stepped up. The Council hoped for additional funding in order to exploit the full potential for British involvement in the rebuilding of Central and Eastern Europe.

Western Europe

There was a significant expansion of the Council's activities in Western Europe in the run-up to 1992 and the completion of the single European market (see pp 106-7 and 167-8). In October 1989 the Council launched its 'Britain in Europe' cultural initiative (see p 461, 1989). Although the initiative focuses on the arts, it also includes new programmes in education, scientific research and the social sciences.

Within the new Academic Research Collaboration programme, funded jointly by the Council with partners in France and the Federal Republic of Germany, over 100 projects were developed in the first 12 months in science, engineering and business-related studies. Direct investment by the Council of £540,000 in scientific and research links, particularly with France and the Federal Republic, produced matching funds from Council partners in those countries. A similar jointly funded programme between Britain and the Irish Republic was initiated.

An information and programming service for subscribers is provided by the Council's European Community Liaison Office, which is funded by eight British universities and 11 polytechnics. The British Council in Brussels arranged for senior British academics from 54 institutions to learn about relevant European Community programmes from the appropriate administrators.

A joint bid by the Council with the Goethe Institute and France's Centre International d'Etudes Pedagogiques was successfully developed for the management of the European Community's LINGUA programme, which promotes the study of European languages throughout the Community.

Assistance in Southern Africa and East Asia

In Southern Africa the British Council assists in the development of English language and science teaching and provides technical training in health, education, management, agriculture and technology. It also supplies books, information and technological journals. During 1989 the Council began a five-year education project in Malawi costing £1·2 million, financed by the World Bank, and a three-year project for Zambia in mathematics and science education, financed by the European Development Fund, to cost £2·4 million. The Council gave 180,000 books to 100 of the most disadvantaged secondary schools in Zimbabwe.

The Council organised a link programme between the University of Botswana and Manchester University in science, mathematics and teacher education, covering staff training and attachments, consultancies and the provision of equipment. It also started a three-year collaborative programme between Zimbabwe, Nigeria and the British Royal National Theatre, involving training of African actors.

In South Africa, where Britain is expanding rapidly its programme of assistance to black South Africans, the main channels are education projects, including informal teacher training initiatives

(mainly in mathematics, science and English), scholarships and training. In 1989-90 almost 500 black Africans were studying in Britain, funded by the ODA, the Foreign and Commonwealth Office and the Council. A further 400 students were on ODA-funded undergraduate scholarships at universities within South Africa.

In Hong Kong the British Council's main area of work is English language teaching. There are over 100 teachers and almost 10,000 secondary school students, office staff, teachers, managers and members of the general public attending courses in the Council's English language teaching centre each term. Students from Hong Kong provide the largest national group in colleges of further and higher education in Britain.

In China the British Council opened a regional office for south China (based initially in Hong Kong). Four English studies resources centres were established in Peking, Chengdu, Guangzhou and Wuhan, while new courses in British studies began in Peking and Guangzhou, and academic links expanded.

The Council is managing a new scholarship scheme, jointly funded with Korea, involving lecture visits by British specialists and tours to Britain by important Korean officials and policy-makers.

Technical Co-operation Training and the Overseas Development Administration

The Council continued to respond to the needs of Third World countries. The availability of skilled personnel at all levels is a critical factor in development. The integration of technical co-operation training (TCT) into major aid projects as a means of ensuring their viability, gives the Council, which administers the TCT programme, an important role in the fulfilment of ODA policy (see pp 281-3). The number of trainees in Britain under the programme rose to nearly 13,000 in 1989 from a figure of 5,800 in 1965.

Elements of ODA work in Bangladesh are being delegated to the British Council in Dhaka, including projects concerned with staff development and institutional links, and research and development in education, public administration, health and natural resources.

In the South Pacific the Council assisted in the disbursement of over £1 million in training awards and monitored 60 ODA-supplemented staff working in educational institutions in the region.

The Council recognises that access to training in Britain and the effectiveness of such training can be hindered by an inadequate command of English. In China it continues to manage a major ODA programme providing for the direct teaching of English to students and for the promotion of higher Chinese proficiency in English language teaching.

In India the Council was asked by the ODA to undertake the field management of two new schemes, the Andhra Pradesh Primary Education Project and the Orissa Family Welfare Project, with a total value of over £60 million. The scheme in Andhra Pradesh will include the training of 275,000 teachers.

Overseas Students

Britain, says the Council, is in competition with other countries to attract self-financing overseas students, who significantly contribute to the balance of payments and to the income of higher education institutions. The Council, in partnership with British universities, polytechnics and colleges, operates the Education Counselling Service and the Education Promotion Service, which organises education fairs, arranges inward and outward education promotion missions and provides counselling to prospective students. During 1989-90 new education information units were set up, or existing ones strengthened, in Brazil, Iraq, Jordan, Turkey and Saudi Arabia. The unit in Malaysia was particularly active in forwarding applications to British colleges.

Major scholarship programmes include the Foreign and Commonwealth Office Scholarships and Awards Scheme (FCOSAS), which is designed to support Britain's diplomatic, cultural, developmental, business and trade-related interests. Across the world the FCOSAS programme budget was increased from £9 million in 1988-89 to £13 million in 1989-90, and the number of overseas students training in Britain under the scheme rose in the same period from about 1,700 to over 2,300.

In Canada the Athlone Vanier Fellowship Scheme, which from 1961 to 1972 had enabled engineers to study in Britain, was revived by former scholarship-holders, with matching funds from Canadian industry and the Foreign and Commonwealth Office.

Generating Academic Business

In 1989-90 a British-Finnish pilot scheme for undergraduate exchanges was inaugurated, generating business worth £230,000 for British higher education from an investment by the Council of £20,000. A similar investment of £50,000 in Algeria was matched by £40,000 from the Algerian Government.

In Saudi Arabia, Jordan and the Gulf states matching funding has doubled the number of British-sponsored students, and Nigerian funding has tripled Council investment in training in medicine, law and industrial management.

The Council assisted the Government of Thailand in setting up a scholarship scheme for overseas training in materials science, biotechnology, electronics and computing.

Code of Practice

The Council has drawn up a formal code of practice, setting minimum standards for the recruitment and after-care of overseas students in Britain. It has also established, in collaboration with the Department of Trade and Industry, the 'professional access' scheme. The scheme is designed 'to build international links with British specialists in industry, commerce and the professional institutions, and to enrich the experience of overseas students engaged in scientific and technological higher education'. The pilot phase of the scheme will run until September 1991.

English Teaching Worldwide

The Council has a network of 55 English teaching centres in 32 countries, attracting, in 1989-90, a total of 63,000 students at any one time and producing a turnover of £31 million. Over the year the network achieved a financial surplus equivalent to 11·3 per cent of turnover for re-investment, with a growth in income of 22 per cent.

Books and Information

During the year the Council decided to improve information provision, reduce its costs and integrate it more closely with the 116 Council libraries around the world. Investment continued in the refurbishment and expansion of library premises and facilities – in Botswana and Burma, for example.

At the request of the Nigerian Federal Ministry of Education, the Council funded and organised a conference in February 1990, bringing together publishers, printers, booksellers, librarians, copyright specialists, educators and civil servants to consider aspects of book publishing.

The Arts

Nearly £1 million of increased government grant was allocated to the Council's arts programmes which aim to make the diversity and creativity of British artists more widely known. Almost 1,100 arts events around the world were supported by the Council during the year. For example, there was a strong British presence at the Wellington International Festival in New Zealand; a stand was organised jointly by the Council and the British Film Institute at the 1990 Berlin Film Festival; and there was support for the London Bubble Theatre's two-month tour of Africa. To meet the costs of reciprocal arts exchanges an extra £100,000 was allocated to Visiting Arts, which gave grant support to 250 events at 465 venues throughout Britain during the year.

United Nations Conference on the Least Developed Countries

The allocation of aid resources according to need and to countries where they can be effectively used was emphasised by the Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, Mr Mark Lennox-Boyd, in a speech to a United Nations conference in Paris on 13 September.

Two British initiatives were announced by Mr Lennox-Boyd. All limits on the use of British bilateral project aid to the least developed countries for local costs were being lifted. In addition, these countries would be able to use British aid grants to procure supplies in other poor countries as well as in Britain.

The Conference on the Least Developed Countries met from 3 to 14 September. The British Government welcomed the outcome of the Conference, which adopted by consensus a programme of action for the 1990s.

Mr Lennox-Boyd's Speech

Commenting on the results of the April 1990 UN Special Session on the Developing Countries, Mr Lennox-Boyd said that it had agreed on the importance of open and liberal trade, sustainable economic growth and the role of individual enterprise in stimulating growth. This consensus now had to be built upon and applied to the particular problems of the least developed countries.

Population

Mr Lennox-Boyd pointed out that the poorest countries faced enormous difficulties in realising their full development potential. These difficulties were compounded if population increased rapidly. Basic health and education services could not meet the demands placed upon them and consequently children died of preventable diseases. Britain and most countries had accepted the need to link economic and social development programmes to better family planning services. Britain supported the work of agencies such as the United Nations' Population Fund and the International Planned Parenthood Federation. It also planned to devote more of its bilateral aid to the improvement of health care for vulnerable communities. Population pressure also exacerbated environmental problems. National development policies had to take into account poverty, the environment and the population if they were to succeed.

Economic Policy Reform

The programme of action, Mr Lennox-Boyd noted, was being built upon a clear recognition of the importance of sound economic policies, namely the control of budget deficits, the freeing of markets, the removal of barriers to competition, and realistic exchange rates and pricing policies. Such policies provided 'incentives for a healthy private sector, a more diversified economy, increased output and improved productivity'. Many developing countries had made good progress with economic reform which was designed to encourage individual enterprise and remove bureaucratic controls.

Good Government

Sound economic policies, however, were not enough: 'They must be pursued within a social and political framework which respects the rule of law and the observance of fundamental human rights, ... allows individual enterprise to develop, ... creates efficient and honest public institutions and allows for informed debate and the free flow of ideas.'

Support by Donors

Donors, said Mr Lennox-Boyd, could help countries to develop more effective governmental, legal and commercial structures. They also had the responsibility to offer positive and practical assistance to reinforce the adoption of sound development policies. 'In particular,' he continued, 'we must take into account the needs of the poorest and most vulnerable groups in societies undergoing adjustment. Adequate levels of external resources must be provided for those countries which are pursuing sound economic policies and can show that resources are being widely used. Least developed countries that do this can expect our support.'

One of the most important developments for the poorest countries concerned the terms on which resources from the International Monetary Fund (IMF) were available. The poorest countries could now borrow on highly concessional terms in support of economic reforms. Britain hoped that more

countries would take advantage of the IMF's Enhanced Structural Adjustment Facility, which was making available some $8,000 million at rates of interest of 0·5 per cent.

Trade

A world trading system was required which reduced restrictions to a minimum and allowed countries to exercise their comparative advantages through improved access. Britain did not support arrangements which kept commodity prices higher than the market would allow, since they protected inefficient producers and discouraged countries from developing sound and competitive export policies. The removal of barriers would allow the least developed countries to reap the full benefits of trade.

The Environment

Mr Lennox-Boyd said that the British Government would devote an increasing proportion of its aid to stopping and reversing environmental damage by protecting forest resources, preventing soil erosion and increasing energy efficiency (see p 283).

Conclusion

Mr Lennox-Boyd said that the British aid programme was planned to grow in real terms and that 70 per cent of bilateral aid went to the poorest countries. Britain had been in the forefront of efforts to reduce debt burdens (see below), was working for reductions in trade barriers and believed in practical measures which would assist other countries to help themselves. He concluded: 'We believe that resources should be allocated according to needs and to countries where they can be effectively used. These are the most important criteria rather than any predetermined level, or target, of aid resources. But within an expanding aid budget my government will seek to devote more resources to assist least developed countries adhering to the basic principles proposed in the programme of action for the 1990s.'

The Programme of Action

In order to inspire national action by the least developed countries against poverty, the programme of action sets out five priorities. These are to:

– conduct economic policies aimed at accelerating long-term growth and development;

– develop human resources by respecting human rights and social justice and by applying effective population, health education, training and employment policies;

– reverse the trend towards environmental degradation and to manage the environment with a view to the effective and durable utilisation of natural resources;

– promote an integrated policy of rural development aimed at increasing food production and rural income and expanding the non-agricultural sector; and

– develop a diversified productive sector based on private initiative, efficient public enterprises, regional co-operation, increased access to the international market and international action in the field of commodities.

Debt Relief

A new British initiative on increased official debt relief for the world's poorest and most indebted countries was launched by the Chancellor of the Exchequer, Mr John Major, at the Commonwealth Finance Ministers' Conference in Trinidad in September.

British Proposal

Speaking to the Conference on 19 September, Mr Major said that the British proposal could result in some $18,000 million being written off the debt stocks of the poorest, highly indebted countries, with a British share of about $900 million.

Mr Major proposed a plan, under the Paris Club arrangements,[1] which would mean that:

– the whole stock of eligible Paris Club debt would be rescheduled in one go, rather than in stages;

– the debt relief given would be doubled, to two-thirds;

– the interest would be added to the capital, with no payments being required during the first five years; and

– repayment periods in such packages would be 25 years.

Under present arrangements agreed at the Toronto Economic Summit in 1988 (see pp 232-5, 1988), debt rescheduling terms are applied progressively. Each time that an eligible country applies to the Paris Club to reschedule a further tranche of debt, reductions in principal or interest apply only to that tranche and not to the whole stock of debt. The benefit therefore only builds up slowly as successive tranches are rescheduled. Under Britain's proposals, the total stock of debt would be tackled in a single long-term operation.

Mr Major said that there were some highly indebted countries which required greater concessions than those available under the Toronto agreement. This permits the reduction of the burden of rescheduled debt by up to a third. This would be raised to two-thirds under the British proposal, which would also involve all governments agreeing to give such relief in the form of a write down of the total stock of eligible debt. In this way both the interest burden and the debt overhang would be reduced.

Britain believes that cash flow relief should be given in the early years. It is therefore proposing that interest occurring in the first five years should be capitalised. Thereafter, a repayment profile would be devised, phasing in a steadily increasing total payment of principal and interest as the export capacity of the debtor country's economy grew.

Current repayment periods are 14 years for a single tranche of debt. When dealing with the total stock of debt, Britain believes that this period could be 25 years. This could be adjusted in order to main-

[1]The Paris Club has no fixed membership and provides a context for meetings between creditors and debtors. Since 1982 it has rescheduled some $110,000 million of debt from the poorest and middle-income countries, the British share being about $6,800 million. For further information see COI reference paper *Britain and International Debt Relief*, No 313/90.

tain a steady path for scheduled repayments in the face of fluctuations in market interest rates.

Mr Major said that Britain was not suggesting any specific changes in the present approach to eligibility, which dealt with countries on a case-by-case basis. So far the Paris Club had confined the terms of the Toronto agreement to countries which were heavily indebted and very poor. It was essential that eligible countries should adopt an economic adjustment programme with the full support of the International Monetary Fund and that they should meet their obligations under earlier agreements. He added: 'It would be quite wrong to give a debtor country an incentive to delay payment in the hope of securing new and softer terms.'

Shorter Notes

VISA AGREEMENTS WITH CZECHOSLOVAKIA AND HUNGARY

From 1 October visas are no longer required for travel between Britain and Czechoslovakia and Hungary. This follows visa abolition agreements made during visits to these countries by the Prime Minister, Mrs Margaret Thatcher, in September. The agreements were concluded in formal exchanges of notes in Prague and Budapest on 18 September.

The lifting of the visa requirement was in response to the political and economic developments in Czechoslovakia and Hungary from 1989 (see pp 453-6, 1989). It will mainly involve people from Czechoslovakia and Hungary coming to Britain as visitors or students, who will no longer have to have visas before arriving at a British port of entry. However, the change will apply to passengers travelling in both directions, which means that British nationals visiting these countries will also not need visas.

As in the case of all other countries, the immigration rules will apply. Certain people – for example, those coming for settlement or work – will still have to obtain entry clearance or work permits.

Source: Home Office news release, 17.9.90.

RELATIONS WITH IRAN

On 27 September the Foreign and Commonwealth Secretary, Mr Douglas Hurd, announced that Britain and Iran were resuming diplomatic relations from that date and that their respective embassies in Tehran and London would reopen within one month. He explained that 'the outstanding bilateral problems which will now be further discussed are more easily resolved with diplomatic relations than without them'. Such problems included the continued detention of hostages in Lebanon (see p 206) and the imprisonment of Mr Roger Cooper, a British subject, in Iran (see p 93, 1989).

Diplomatic relations had been previously broken off by Iran in March 1989. This followed a dispute over statements by the late Ayatollah Khomeini calling for the death of the British author, Mr Salman Rushdie, because of passages in his novel *The Satanic Verses* that are considered offensive to Islam (see pp 92-4, 1989).

Commenting on the Rushdie affair in the light of the resumption of relations, Mr Hurd said: 'It is our understanding from public statements made by Iranian officials that the Iranian Government respects international law and will not interfere in the internal affairs of any other country any more than the United Kingdom would interfere in the internal affairs of any other country.'

Britain welcomed the public declaration by the Iranians to use their humanitarian influence to achieve the release of all hostages in Lebanon. Mr Hurd added: 'Iran is an important member of the international community, and has demonstrated this by its implementation of the United Nations Security Council resolutions . . . [on Iraqi aggression against Kuwait] despite its improved relationship with Iraq' (see pp 278 and 313).

National Accounts 1989

Britain's gross domestic product grew by some 2 per cent in 1989. Manufacturing output rose by 4 per cent and fixed investment by 5 per cent.

The National Accounts 'Blue Book',[1] published on 12 September, gives revised figures for national income, expenditure and output for each of the 11 years from 1979 to 1989, with summary tables going back to 1968.

Gross Domestic Product

Gross domestic product (GDP) at factor cost,[2] after allowing for inflation, increased by 2·1 per cent between 1988 and 1989 (see Table 1) to a level 25 per cent above the previous cyclical peak, reached in 1979.

The average measure of GDP at current market prices (the prices that consumers pay for goods and services) – money GDP – rose by 9·2 per cent between 1988 and 1989.

In 1989 the increase in money GDP attributable to inflation was 6·8 per cent. The corresponding increase in the case of GDP at factor cost was 7·4 per cent.

GDP and gross national product (GNP – equal to GDP plus net property income from abroad) in 1989 are analysed according to category of expenditure and by market prices and factor cost in Table 2.

Output by Industry

Output of agriculture, forestry and fishing grew by a little over 1 per cent in 1989 but that of energy and water supply fell by nearly 10 per cent (see Table 3). Manufacturing output rose by over 4 per cent. Most manufacturing sectors recorded increases, notably man-made fibres; electrical and instrument engineering; and transport equipment other than motor vehicles and parts (all 7 per cent or more). Output fell in three manufacturing sectors: food; textiles; and clothing, footwear and leather. Construction output rose by 4 per cent and that of services by over 3 per cent. Within services, above average increases were recorded by transport and communication (5 per cent) and financial and business services and leasing (7 per cent).

Personal Income, Expenditure and Saving

Total personal income rose by nearly 11 per cent in 1989 (see Table 4). Income from employment increased by 11 per cent and that from self-employment by 17 per cent. Prices as measured by the consumers' expenditure deflator (which records the difference between current and constant prices) rose by almost 6 per cent and real personal disposable income by a little over 5 per cent.

Consumers' expenditure grew by less than personal disposable income and so the saving ratio (saving as a percentage of personal disposable income) increased from 5·4 per cent in 1988 to 6·7 per cent in 1989.

Consumers' expenditure in volume terms rose by nearly 4 per cent in 1989. Spending on durable goods increased by 6 per cent, with expenditure on vehicles growing by almost 11 per cent. Spending on most categories of non-durable goods fell, but small increases were recorded for food and tobacco. Spending on services rose by 5 per cent.

Companies

Gross trading profits (net of stock appreciation) of North Sea oil companies fell by 4 per cent in 1989 to a little over one-third of their 1984 level. Profits of other industrial and commercial companies rose by 2 per cent. In 1989, industrial and commercial companies had a financial deficit (broadly, fixed investment and increases in stock values minus undistributed income) of £24,600 million, compared with one of £10,400 million in 1988.

[1] *United Kingdom National Accounts 1990 Edition.* Central Statistical Office. HMSO, £13. ISBN 0 11 620444 3.

[2] The total net value received by producers for goods and services produced, after deducting indirect taxes and adding subsidies. (GDP is here a simple average of the three estimates based on income, expenditure and output data.)

Table 1

Average Measures of Gross Domestic Product

	1979	1984	1988	1989
At constant factor cost (1985 = 100)	92·6	96·3	113·3	115·7
At constant market prices (1985 = 100)	92·8	96·6	113·8	116·2
At current factor cost (£000 million)	173·2	280·2	400·0	438·8
At current market prices (£000 million)	198·3	325·3	470·1	513·2

Table 2

Analyses by Expenditure of Gross Domestic Product and Gross National Product in 1989

	£ million
At market prices	
Consumers' expenditure	328,453
Central government final consumption	60,850
Local authorities' final consumption	38,576
Gross domestic fixed capital formation	100,472
Value of physical increase in stocks and work in progress	3,102
Total domestic expenditure	531,453
Exports of goods and services	123,396
Total final expenditure	654,849
Less imports of goods and services[a]	−142,527
GDP (average measure)[b]	513,242
Net property income from abroad	4,582
GNP (average measure)[b]	517,824
At factor cost	
Adjustment of GDP at market prices to factor cost[c]	74,468
GDP (average measure)	438,774
GNP (average measure)	443,356

[a] Excluding taxes on expenditure levied on imports.
[b] Including taxes on expenditure levied on imports.
[c] Taxes on expenditure less subsidies.

Wealth

At the end of 1987 (the latest year for which complete figures are available) net national wealth (consisting of tangible assets, intangible non-financial assets and overseas assets less liabilities) amounted to £2 million million, 12 per cent more than a year earlier. Of total tangible assets, residential buildings comprised £840,000 million, other land, buildings and works £570,000 million, vehicles, plant and machinery £300,000 million and stocks and work in progress £90,000 million. The personal sector accounted for 77 per cent of net national wealth, industrial and commercial companies for 8 per cent, financial companies and institutions for 3 per cent, public corporations for 5 per cent and general government for 7 per cent.

Fixed Investment and Stockbuilding

Gross domestic fixed capital formation (fixed investment) grew by 5 per cent in volume terms in 1989, with increased investment in most types of asset. Investment in road vehicles, railway rolling stock, ships and aircraft grew by 9 per cent, in plant and machinery by 8 per cent and in new buildings (other than dwellings) and works by 6 per cent. Investment in dwellings fell by 3 per cent. The growth in investment by the private sector and general government

Table 3

Index Numbers of Output (at Constant Factor Cost)

		1985 = 100
	1988	1989
Agriculture, forestry and fishing	96·6	97·9
Energy and water supply	99·3	89·8
Manufacturing	114·3	119·2
Construction	120·7	125·7
Services	115·4	119·3
GDP (output measure)	113·4	116·2

Table 4

Personal Income and Expenditure

£ million

	1988	1989
Income from employment	255,880	284,399
Income from self-employment[a]	45,403	53,126
Rent, dividends and net interest	40,980	44,717
Current grants from general government (including social security benefits)	54,059	56,585
Other[b]	2,431	2,507
Total personal income[a]	398,753	441,334
Deductions from income:		
British taxes on income	48,430	53,307
Social security contributions	32,176	32,879
Current transfers	2,360	2,436
Community charge	–	615
Personal disposable income	315,787	352,097
of which:		
Consumers' expenditure	298,609	328,453
Saving	17,178	23,644

[a] Before providing for depreciation and stock appreciation.
[b] Other current transfers and the imputed charge for capital consumption of private non-profit-making bodies.

easily offset the decline recorded by public corporations.

By industry, there was a rise of 5 per cent for manufacturing, 20 per cent for agriculture, forestry and fishing and 12 per cent for energy and water supply.

Measured in 1985 prices, the level of stocks and work in progress increased by £2,700 million in 1989, compared with £4,200 million in 1988. Agriculture and forestry, energy and water supply, construction and distribution achieved increases, but manufacturing experienced a decline.

Chancellor's Speech at International Monetary Fund Meeting

Speaking at the joint annual meeting of the International Monetary Fund and World Bank in Washington on 26 September, the Chancellor of the Exchequer, Mr John Major, said that the immediate prospect for Britain and the world economy was for a period of high inflation and low growth. Higher oil prices had played a part in this. While recognising the value of the European Monetary System, the Chancellor warned against a premature move towards European monetary union.

World Economy

For the industrialised countries, the Chancellor said, higher oil prices as a result of events in the Gulf (see pp 336-8) meant higher inflation and lower growth. It was too early to judge how long oil prices would remain high. The initial inflationary impact could not be avoided, but it had to be prevented from becoming embedded in a higher core rate of inflation. If this called for interest rates to be raised or to be kept high for longer than would otherwise have been necessary, then this would have to be done. There was no scope for easing monetary policy to offset the contractionary effect of high oil prices on the level of economic activity. Tight monetary policy would have to be backed up by appropriate fiscal policy: excessive budget deficits would have to be reduced.

It was fortunate, Mr Major said, that the industrialised countries were better able to face an oil price rise today than they had been in the 1970s. They had substantially reduced their dependence on oil over the last 20 years. Britain, for example, had experienced a fall of some 30 per cent since 1973 in energy consumption relative to gross domestic product. Also, the underlying strength of economies was greater.

European Monetary Issues

On European monetary union (see pp 242-3), the Chancellor said that, if there were a premature move in this direction, without greater economic convergence, 'the strains and stresses on our national economies would be intolerable'. In recent years the European Monetary System had 'operated as a powerful force for convergence', and the performance of those countries within its exchange rate mechanism (ERM – see pp 338-9) had been impressive. They had clearly benefited from the monetary discipline which the ERM provided.

However, the ERM had not eliminated the pain involved in bringing down inflation. In time, low inflation would lead to higher growth and lower unemployment. The more credible the anti-inflationary weapons, the sooner this would happen. 'Credibility of purpose' had been one of the hallmarks of the ERM. It had increasingly functioned as a modern gold standard, with the Deutsche Mark acting as anchor. Mr Major recognised that conflicts could emerge between the obligations of ERM membership and the evidence of domestic monetary indicators, but these occurred less often and for shorter periods than was often claimed. In any case, they needed to be compared with the problems faced by countries outside the ERM.

The Chancellor therefore agreed that ERM membership was the right policy for Britain. The most important reason for the delay in Britain's membership had been the differential between inflation in Britain and in other ERM countries. However, he pointed out that likely future changes in prices were more important than inflation over the last 12 months.

British Economy

The upturn in inflation in Britain had been sharper than in other industrialised countries, Mr Major continued. Since mid-1988 Britain had experienced an extended period of monetary tightening, with interest rates having been raised in stages to 15 per cent by October 1989. The effects of this policy had been slow to appear, but now there was unambiguous evidence that it was working. As usual, inflation was proving slow to decline, but this was now only a matter of time. The measured rate would probably soon reach a peak[1] and then fall noticeably through 1991. Before long the tight monetary policy should bring about a reduction in the underlying rate (which excluded changes in mortgage interest payments and the community charge).

The picture was complicated by the increase in oil prices. Britain would in some ways be less affected than many other countries because it was practically self-sufficient in oil. Government finances benefited from higher prices, while the current account of the balance of payments was relatively unaffected. But Britain was in no way immune. Indeed, in the short run, higher prices were likely to feed through into the inflation rate more quickly in Britain than elsewhere because Britain had not sought to prevent or delay the proper market response to events in the Gulf. Higher oil prices would also contribute to a weakening in economic activity, with the likelihood of some months of low growth. Action by businesses or employees to raise other prices and wages to compensate for higher oil prices would further depress activity and increase unemployment.

The most difficult few months in the cycle lay ahead. The immediate prospect was for inflation to continue at a high level with weakening activity and rising unemployment. 'But we know from past experience that this discomfort will be temporary as long as policy continues to be focused on reducing inflation.'

[1] It was 10·9 per cent at an annual rate in September 1990.

Industrial and Business Developments

Some recent developments in British industry and business are recorded here, as well as initiatives by the Department of Trade and Industry.

Aerospace

Farnborough International '90, the aerospace exhibition held in Britain every two years, took place at Farnborough, Hampshire, during the first week of September. More than 770 companies were represented among the exhibitors from 29 countries, with some 130 aircraft on show, making the exhibition the biggest ever. Trade visitors numbered 45,000, while total attendance over eight days exceeded 300,000.

Leading airframe manufacturers from overseas secured orders for airliners worth more than at any previous exhibition, while many British firms manufacturing commercial and military aircraft and parts, as well as space technology equipment, attracted large contracts. Orders and options for 13 of British Aerospace's 146 airliner were announced.

Computing Services

A report by the Central Statistical Office,[1] published on 8 October, shows that the British computing services industry enjoyed sustained growth in 1989. Output of the industry rose by 16 per cent, compared with an average growth rate of 9 per cent over the period 1986 to 1988. Total billings by companies in the sector rose by £565 million, to more than £3,000 million in 1989. Exports of computing services increased by £57 million in 1989 to £226 million. Employment increased by nearly 15 per cent in 1989, to reach about 50,500. More than one-third of employees were engaged in programming and analysis.

The largest components of billings for work done in 1989 were for software and related services, valued at £1,254 million, and for bureau services (which includes the provision of databases), valued at £713 million.

Film and Television Overseas Earnings

According to a report published by the Central Statistical Office on 19 September,[2] net overseas earnings of British film and television companies from production and distribution in 1989 were £77 million, compared with a revised figure of £44 million for 1988. Overseas receipts of film companies increased from £230 million in 1988 to £263 million in 1989. Receipts from North America accounted for 46 per cent of the total, while those from other European Community countries amounted to just under one-third. In the years up to 1985, North America had accounted for a much higher proportion and the European Community for a much lower proportion of receipts. Overseas expenditure by British film companies rose from £188 million in 1988 to £204 million in 1989.

[1] *Computing Services Industry (1989).* Central Statistical Office. *Business Bulletin* No 74/90.

[2] *Overseas Earnings of the Film and Television Industry (1989).* Central Statistical Office. *Business Bulletin* No 66/90.

Television companies recorded a sharp rise in overseas receipts in 1989, their net overseas earnings increasing to £18 million from a revised figure of £7 million for 1988. Receipts increased by 52 per cent, from £128 million in 1988 to £194 million in 1989. As with film companies, a growing proportion of receipts was accounted for by European Community countries, while the North American market became relatively less important. Overseas expenditure by television companies increased from £121 million in 1988 to £176 million in 1989.

When certain related imports and exports covered by the visible trade accounts are excluded, it is estimated that British film and television companies contributed a net surplus of £61 million to the invisible account of the balance of payments in 1989, compared with £33 million in 1988.

Films Working Party

On 3 October, Lord Hesketh, Minister for Trade, announced the setting up of a working party to explore ways of increasing private sector investment in the production of films by British companies. Since a group of British film producers met with the Prime Minister, Mrs Margaret Thatcher, on 15 June to discuss the future of their industry (see p 261), they have been refining their ideas in discussion with officials from the Department of Trade and Industry (DTI). Their proposals will now be considered by the working party.

Lord Hesketh said that the British film industry had diverse talents to its credit and that ways needed to be found to exploit such talents more fully. Although cinema audiences were growing and opportunities were opening up in Europe, film production had fallen in Britain in recent years. Private capital could help the industry to make a greater economic contribution.

The working party will consult widely with those involved in television, video, film distribution and cinema. A report will be prepared for the Secretary of State for Trade and Industry, Mr Peter Lilley. It will cover the current state of, and prospects for, British film production, its structure and the market for films both in Britain and overseas.

Expert Systems Awards

On 19 September the Minister for Industry, Mr Douglas Hogg, announced the winners of awards, jointly sponsored by the DTI and the British Computer Society, for the best applications of manufacturing intelligence in industry. First prize was given to Wiggins Teape Research and Development Limited for the development of an expert system to assist its operators in identifying machine faults. IBM United Kingdom Limited was awarded second prize for a system to improve quality control of computer disc files. The awards are made on the basis of documented cost savings, achievement relative to the size of the company, and wider applications of the systems for the rest of British manufacturing.

Mr Hogg noted that the awards were only one part of the DTI's Manufacturing Intelligence Programme, which aims to draw the attention of industry to the opportunities presented by expert systems in manufacturing and to assist businesses in the implementation of new methods in their factories.

Forestry

The Forestry Commission has published new guidelines for the planting and management of forests. It has also announced a conservation plan for the Forest of Dean.

The Environment White Paper has set out government forestry policy.

Forest Management

The Forestry Commission is responsible for the management of 40 per cent of the woodlands in Great Britain. The third in a series of guidelines for the planting and management of forests and woodlands (see p 243, 1989)[1] sets out the principles and standards required of applicants for Woodland Grant Scheme payments and will apply to plans submitted for woodland management grants (see pp 117-18 and 288-9). Introducing the guidelines, the Commission's chairman, Mr Raymond Johnstone, said that a major opportunity was offered to 'improve the whole forest estate . . . where conservation, wildlife, landscape, recreation and timber production all have a place'.

The Commission's wildlife and conservation research aims to provide a biological basis for the management of ecosystems by studying habitats, communities and species. Its main areas of research include upland spruce forests, habitat management for species groups such as bats, and the ecology of single species such as red deer, woodlarks and capercailzie [wood-grouse]. Habitat management for species groups includes conservation of ponds for invertebrates, bats and amphibia. For single species it includes work to provide habitats which will maintain red squirrel and black grouse populations.

The Commission has also announced a plan for the conservation of nearly 5,000 hectares[2] of broadleaved woodland in the Forest of Dean (Gloucestershire). Almost 1,000 hectares are ancient woodland, much of it already 150 years old. Some 45 per cent of the forest is, and will continue to be, broadleaved trees. The plan sets out management principles for four categories of these broadleaves:

1 community woodlands, where only dangerous trees will be removed to create the space needed for the growth of young trees;

2 conservation woodlands, about 900 hectares containing the majority of oaks over 150 years old;

3 Wye Valley woodlands, in an area of outstanding natural beauty; and

4 production woodlands, which are the younger broadleaved woodlands, where quality hardwood timber will be encouraged.

Environment White Paper

Forests, woodland and trees, the White Paper (see pp 358-61) says, provide one of the most effective ways by which carbon dioxide can be absorbed from the atmosphere and stored for long periods. Durable timber products can also prolong the storage process. Since 1985 the Commission has had a legal duty to balance the needs of forestry for timber

[1] *Forest Nature Conservation Guidelines.* HMSO, £4·50. ISBN 0 11 710292 X.

[2] 1 hectare = 2·4711 acres.

production and the needs of the environment (see pp 288-9).

New community forests (see p 326, 1989) are planned for Tyne and Wear, south Staffordshire and east London. The Government is also considering a proposal from the Countryside Commission for a new national forest in the English Midlands. This would cover 40,000 hectares and would be created over 40 years with substantial private sector investment. Central Scotland Woodlands (see p 62, 1989), according to the White Paper the most important environmental initiative undertaken in Scotland, is expected to provide a wide range of habitats for wildlife as well as an economic resource.

Energy Policy

The Government has specified the initial levels of electricity generating capacity to be obtained from renewable sources of energy under the Electricity Act 1989. There will be further government help for the Severn Barrage Scheme. The agency to administer the Home Energy Efficiency Scheme has been chosen.

The White Paper on the environment has stated government policy on renewable sources, nuclear energy and energy efficiency.

Renewable Sources of Energy

On 18 September the Secretary of State for Energy, Mr John Wakeham, laid before Parliament the first Order, under which the 12 regional electricity companies (see pp 144-5 and 290) in England and Wales will be required to provide a certain amount of generating capacity for renewable sources, under what is called the non-fossil fuel obligation (see p 319). This will build up to 102·25 megawatts[1] declared net capacity (DNC)[2] for the period 1 April 1995 to 31 December 1998.

The responsibility for making arrangements to comply with the Order lies with the companies, which were expected to submit details by the end of September 1990 for scrutiny by the Director-General of Electricity Supply, the watchdog for the industry. The Department of Energy understands that they have concluded contracts for some 75 projects. These comprise 25 landfill gas, 26 hydropower, 9 wind, 8 biogas and 7 waste incineration. They have an installed capacity that will build up to some 170 MW by early 1994. Over two-thirds of this capacity is attributable to new projects that would not have been able to proceed without the support of a non-fossil fuel contract. The level of the obligation, the Government says, has been set prudently, to reflect the intermittent nature of wind power and in case some of the contracted projects should run into difficulties.

Mr Wakeham said: 'Renewables have the potential to contribute simultaneously to meeting our energy needs, to improving security of supply, and to reducing environmental pollution.' He was heartened by the interest that project sponsors had shown in the Order, which would bring to 250 MW the capacity in England and Wales so far generated by renewables. Projects which were not ready to contract within this Order would have a further chance under the first additional renewables allotment, which he proposed to bring forward in 1991.

Research

The Government is spending £20·3 million on research into renewable energy in 1990-91 (11·3 per cent of the Department of Energy's research and development expenditure). On 30 August, Mr Colin Moynihan, Parliamentary Under-Secretary of State for Energy, announced a further phase of work into the Severn Barrage (see pp 431-2, 1989), costing £518,000, to which the Department of Energy is contributing £456,000. As part of its tidal energy programme (see p 290), the Department has also allocated £1·8 million to general environmental work relating to barrages.

Environment White Paper

The White Paper (see pp 358-61) says that reductions in emissions of carbon dioxide, sulphur dioxide and oxides of nitrogen can take place if less fossil fuel is burnt. The Government is working towards a generating capacity from renewables of 1,000 MW by the year 2000, a tenfold increase in current capacity. It intends to review its renewable energy programmes during 1991.

In describing the programmes (see pp 241-5, 1988), the White Paper sets out the Government's demonstration, promotion and marketing strategy:

1 Industry will be encouraged to increase its funding from 25 per cent to 50 per cent of the cost of the programmes by the mid-1990s.

2 The Government will reinforce its existing demonstration programme.

3 The Government intends to increase its promotional efforts to boost public awareness of renewables and to stimulate commercial application.

4 To allow the technologies to improve, and to secure their environmental benefits, special opportunities are being offered them under the non-fossil fuel obligation.

5 The Government will ensure that the European Community's research and development programme (see p 241, 1988) is as cost-effective as possible and will publicise the availability of Community funds for renewable projects.

Nuclear Energy

The Order setting out the non-fossil fuel obligation for nuclear-generated electricity in England and Wales, made in February 1990, requires the companies to contract for some 8,000 MW of nuclear capacity over the period 1990-91 to 1997-98.

[1] 1 megawatt (MW) = 1,000 kilowatts (kW).

[2] The standard measure of a power station's capacity is DNC. For most power station technologies, this is the same as installed capacity. However, for power stations driven by some renewable technologies the DNC is calculated as a proportion of the installed capacity, in recognition of the intermittent nature of the renewables in question. For wind-driven stations, for example, and slightly simplifying, the DNC is calculated as installed capacity multiplied by 0·43. Wind is the only technology contracted by the companies in pursuance of the present Order where such a correction has to be made.

Environment White Paper

The Government wishes to maintain the nuclear option, the White Paper says, because it increases diversity of energy supply and thus helps to keep supplies secure (see pp 290-1). If the electricity currently provided by nuclear power stations were to be generated by gas, Britain would emit about 7 million tonnes more carbons, increasing total emissions by about 4·5 per cent, each year. If the same amount of electricity were generated by coal, emissions would increase by about 15·5 million tonnes each year. However, the White Paper continues, the nuclear industry would have to demonstrate high standards of safety and environmental protection. It also points out that only 0·1 per cent of the annual radiation to which the British population is exposed comes from routine discharges from the nuclear industry. Government policy, in line with international principles, is to reduce exposure to radiation from industrial sources to levels as low as are reasonably achievable.

The Government has set strict safety standards for the use, storage and disposal of radioactive materials. It and site operators carry out an extensive monitoring programme to ensure that these standards are met. UK Nirex Ltd (Nuclear Industry Radioactive Waste Executive – see pp 297-9, 1986) is investigating possible sites for a deep underground repository for the storage of intermediate- and low-level nuclear wastes. A new plant, completed in 1990, at Sellafield (Cumbria) converts high-level waste into glass blocks and reduces its overall volume by two-thirds.

Energy Efficiency

On 1 October, Mr Tony Baldry, Parliamentary Under-Secretary of State for Energy, announced that Neighbourhood Energy Action had won the contract to administer the Home Energy Efficiency Scheme (see p 319). The scheme is expected to start on 1 January 1991. Neighbourhood Energy Action is a national charity with experience of both grant administration and the particular needs of low-income households. The agency would be responsible, Mr Baldry said, for inviting applications and selecting contractors against criteria which he would notify to them. There would be one contractor for a specific locality.

Environment White Paper

Energy efficiency, the White Paper says, helps to combat acid rain and global warming. The Government actively promotes energy efficiency measures. There were improvements in energy consumption per unit of gross domestic product (GDP) every year during the 1980s, in spite of falling energy prices. In 1989 Britain produced 25 per cent more GDP than in 1979 without using any more energy. Since 1983 the Energy Efficiency Office (EEO) has spent £130 million on programmes to stimulate better energy management, which have resulted in savings estimated at over £500 million a year. The EEO's budget for 1990-91 has been increased and it will continue to develop and promote energy efficiency technologies through the Best Practice programme (see pp 110-11, 1989). It will also continue to promote combined heat and power (see p 172, 1980) so that this will achieve a further 2,000 MW capacity by the year 2000.

The Government is taking measures to make buildings, which account for nearly half of Britain's energy use, more energy-efficient. It encourages energy labelling schemes so that housebuilders and houseowners will be made more aware of how different factors affect energy consumption. Amendments to the Building Regulations 1985, which came into force in 1990, should achieve a saving of about 20 per cent in energy requirements for space and water heating. A campaign to achieve further savings of 15 per cent, worth £45 million a year, in the total energy bill for the government estate over five years has been launched.

The Government also intends to press for European Community agreement on a common energy labelling scheme for electrical appliances and minimum efficiency standards for household electrical equipment, such as fridges, washing machines and boilers, and for industrial heating. A new ministerial committee will aim to maintain the momentum. There is also potential, the White Paper says, for local authority buildings to save as much as £100 million a year on energy costs. Of the £3,500 million spent each year in England on repairing and maintaining local authority housing stock, about one-quarter is for the improvement of energy efficiency.

Shorter Notes

INDUSTRIAL DEVELOPMENT ACT REPORT

The annual report describing assistance under the Industrial Development Act 1982 during the year ended 31 March 1990 has been presented to Parliament.

A major element of support to industry in the assisted areas (see pp 54 and 59-60, 1988) continued to be that provided by regional development grants. Grant payments under the original scheme totalled £27·9 million in England, £10·6 million in Scotland and £2·8 million in Wales during the year. Under the revised scheme, introduced in April 1988, some 470 applications totalling £77·2 million of grant were approved, involving £790 million of forecast capital expenditure and the expected creation of 16,000 jobs. Payments under the revised scheme totalled £86·9 million in England, £48·8 million in Scotland and £26·9 million in Wales.

Regional selective assistance, provided for by Section 7 of the Act, encourages viable new enterprises which will create or safeguard employment in the assisted areas. Assistance under the scheme totalled £265·2 million during the year: £127·3 million in England, £76·2 million in Scotland and £61·7 million in Wales.

Regional enterprise grants are available under Section 8 of the Act for businesses in the development areas of Great Britain employing fewer than 25 people. The grants aim to improve the performance of small businesses through increased investment and the introduction of successful new products and processes which create or safeguard employment.

Grants valued at £18·2 million for innovation or investment projects were made to 2,147 applicants during the year.

The European Regional Development Fund (ERDF) makes a contribution to Britain towards regional industrial assistance and, in 1989-90, £20 million was received. The ERDF offers specific measures grants jointly with the British Government in areas of Britain affected by job losses in the steel, shipbuilding, textile, clothing and fisheries industries to assist their economic recovery by helping new businesses to start up and existing firms to grow. During the year, such assistance totalled £62·4 million, of which the ERDF contribution was £43 million. Under the Exchange Risk Guarantee Scheme, which makes use of European Coal and Steel Community funds, £130 million was made available to provide an exchange risk guarantee for private British companies wishing to take advantage of foreign loans.

Other assistance included £5 million for improvements to basic services in assisted areas; £46·3 million spent by the English Industrial Estates Corporation (EIEC) to provide factory units for sale or to be let on behalf of the Department of Trade and Industry, fully funded by receipts from rents and property sales; a further £10·5 million spent by EIEC on behalf of the Rural Development Corporation; and £28·7 million for 417 schemes to acquire or clear derelict land in England.

Under the Small Firms Loan Guarantee Scheme, guarantees covering bank loans are available to potentially viable small businesses. Between June 1981 and March 1990 nearly 25,000 guarantees were made, covering loans valued at £812 million.

Offers totalling £148·7 million were made to foreign companies for 102 investments in Britain under Section 7 of the Act during the year. These projects were expected to create nearly 15,500 jobs and safeguard about 2,800 others.

Source: *Industrial Development Act 1982.* Annual report by the Secretaries of State for Trade and Industry, Scotland, Wales, and Employment for the year ended 31 March 1990. HMSO, £9·25. ISBN 0 10 260090 2.

COMPETITION POLICY

The Government's commitment to a vigorous application of its competition policy (see pp 380-1, 1988, and pp 352-3, 1989) was reiterated by the Parliamentary Under-Secretary of State for Corporate Affairs, Mr John Redwood, on 13 September.

Speaking at the Ninth International Anti-trust Law Conference in Oxford, Mr Redwood stressed that competition could be relied upon to force change and to look after the interests of customers. For example, it was only worthwhile to research a new product if there was a competitive threat to the old. It should therefore be expected, he said, that the Government would be vigilant in the application of its mergers policy, ready to stop monopoly abuse and keen to break up monopolised markets. This had been achieved especially through privatisation, which had become the most important way of extending competition in the British economy. Arguing that it was better to prevent a dominant market position than to cure its effects, and easier to secure, Mr Redwood said that an active merger reference policy was pursued in order to keep British markets open to beneficial commercial pressures. In 1989 there had been 14 merger references to the Monopolies and Mergers Commission and a further 22 so far in 1990.

Mr Redwood said that Britain was leading the campaign for open and fair private sector takeover markets throughout the European Community. Acquisitions in Britain accounted for almost half by value of the total in Community member states in 1989. Despite this, British companies were able to rank third after France and the Federal Republic of Germany – which had access to the open British market – as the main acquirers in the Community. The Government wished to see a more open continental European market for corporate control. A more active European takeover market required a vigilant competition policy and Mr Redwood said that the Government looked forward to diligent enforcement by the Commission of its mergers regulations.

Source: Department of Trade and Industry news release, 13.9.90.

TRADE MARKS LAW

Changes to trade marks law are proposed by the Government in a White Paper published on 19 September.

The White Paper cites two main reasons why legislation is required:

– the existing trade marks law is now over 50 years old and in need of updating to take account of changes which have taken place in trading practices; and

– British law on trade marks needs to be harmonised with those European Community directives and international agreements on the subject to which Britain is a party.

The Government intends to introduce new trade marks legislation as soon as parliamentary time is available. Such legislation would make it easier for businesses to register their trade marks by making the tests for registrability more related to the situation in the market place. For example, any trade mark which had proved distinctive in practice would be regarded as distinctive in law and could thus be registered. Protection for existing trade marks would also be broadened so that it would be illegal to use a trade mark for goods which were similar but not identical to those for which the mark was registered.

A measure of deregulation which would enable the Trade Marks Registry to streamline its procedures would also be introduced. The division of the register into two parts would be ended, thus allowing multi-class applications. It would be made easier to overcome the barrier to registration caused by an earlier trade mark which was not being used, and the procedure for registering licences and

assigning trade marks would be simplified. These measures would help the Registry to deal with applications more efficiently and would simplify the task of applicants and their agents, thereby reducing costs for business.

The White Paper notes that negotiations to set up a trade mark system for the European Community are at an advanced stage and that it is in the interests of users of both the British Trade Marks Registry and the projected Community Trade Marks Office that their procedures should be similar.

The Government also wishes to ratify as soon as possible the Protocol to the Madrid Agreement, signed in June 1989 by 28 countries, including Britain. The Protocol will make it easier for owners of British trade marks to obtain wider protection and will provide a springboard into the developing markets of Eastern Europe. Britain is also required to amend its trade mark law to give effect to the First Council Directive to approximate the laws of Community member states.

Source: *Reform of Trade Marks Law.* Cm 1203. Department of Trade and Industry. HMSO, £5·90. ISBN 0 10 112032 X.

MERCHANT SHIPPING

The British shipping industry is well-placed to take advantage of world trade growth, concludes a report published on 19 September.

The report was prepared by a joint Government-shipping industry working party, established in May 1990. Its remit was to study the position of the industry, to find measures to improve its competitive position, to identify the main obstacles to the use of the British flag and to assess the benefits from encouraging its wider use. Its appointment came, the report says, at a time when demand for cargo and passenger carrying had been rising, the tonnage surplus had virtually disappeared, and it was probable that some 300 million deadweight tonnes of shipping worldwide would need to be replaced in the coming decade, at an estimated cost of $200,000 million.

The working party was chaired by the Secretary of State for Transport, Mr Cecil Parkinson, and the president of the General Council of British Shipping (GCBS), Sir Jeffrey Sterling. Its members included Lord Brabazon of Tara, Minister of State at the Department of Transport, and senior officials from the Department of Transport, the Foreign and Commonwealth Office, the Ministry of Defence and the Department of Trade and Industry. Senior GCBS officials also participated.

The report says that, after a period of contraction, the British shipping industry is 'lean and fit' and well able to take advantage of the growth of world trade in the right conditions. The winning of profitable business for shipping is in the national interest. The Gulf crisis (see pp 336-8) has focused attention on the strategic defence needs for British ships and seafarers. A strong, competitive industry is also good for the economy. Profitable investment in the upturn in world trade will benefit the balance of payments and will create new jobs in seafaring and investment on land.

According to the report, there are 783 ships in direct British ownership, of a total deadweight of 15,713,000 tonnes. Some 655 of these ships are either on the United Kingdom register or those of Crown and Dependent Territories. There are a total of 1,160 ships on the British registers, of which the remaining 505 are foreign-owned. Employment of British seafarers has declined over the past 15 years, as a result of technological change and the transfer of ships off the United Kingdom register. Nonetheless, there are still nearly 8,000 British officers and 10,000 British ratings serving on British ships. Gross earnings from the British shipping industry in foreign trade were £3,006 million in 1989.

The report contains important recommendations designed to:

– speed up and simplify the technical procedures and regulations governing registration;

– introduce more flexibility into the rules governing the nationality of officers on British ships, which currently restrict certain posts to citizens of most Commonwealth countries or the Irish Republic;

– allow foreign-owned vessels chartered by British companies to be registered in Britain;

– press the European Community to secure a more competitive financial environment; and

– improve marine training and implement certain changes.

Welcoming the report, Mr Parkinson and Sir Jeffrey Sterling said that the industry and its individual operators had to identify commercial opportunities. The report had, however, shown the scope for updating the regulatory framework of the industry consistent with public safety. 'We have emphasised the need to raise the recruitment and training profile', they said. 'British ships and . . . seafarers are a vital national asset.'

Sources: *British Shipping: Challenges and Opportunities.* HMSO, £5·95. ISBN 0 11 550988 7; Department of Transport news release, 19.9.90.

LOCKERBIE AIR DISASTER

The Air Accidents Investigation Branch (AAIB) report on the disaster at Lockerbie (Dumfries and Galloway) in December 1988 (see p 105, 1989) was published on 11 September. All 259 persons on board flight PA 103 and 11 residents of the town of Lockerbie were killed.

The report[1] concentrates on the technical aspects of the disintegration of the aircraft; the airport security and criminal aspects of the disaster are the subject of a separate investigation.

It concludes that the detonation of an improvised explosive device led directly to the loss of the aircraft on its way from London Heathrow to New York. Flight PA 103 had been cruising at 31,000 ft (9,450 m)

[1] *Report on the Accident to Boeing 747-121 N739 PA at Lockerbie, Dumfriesshire, Scotland on 21 December 1988.* Air Accident Report 2/90. HMSO, £18. ISBN 0 11 550981 X.

for approximately seven minutes when the last radar return from the aircraft was received just before 19·03. The radar then showed debris fanning out downwind. Major portions of the wreckage of the aircraft fell on Lockerbie, with other large parts landing east of the town. Lighter debris was strewn along two trails, the longer of which extended some 130 km (80 miles) to the east coast of England. Forensic scientists found upon items of wreckage conclusive evidence of high explosive having detonated.

Detailed investigation allowed the sequence of events of the disintegration to be deduced, although analysis of the flight recorders did not reveal positive evidence of an explosion. The explosion of the bomb, which had been loaded into the forward luggage hold, produced a large hole in the fuselage and disrupted the main cabin floor. Major cracks continued to spread from the hole under the influence of the air pressure differential. Indirect explosive effects also produced significant structural damage in areas away from the explosion. The forward fuselage and flight deck separated from the rest of the structure within two to three seconds; most of the remaining aircraft broke up while it was descending nearly vertically from 19,000 ft (5,790 m) to 9,000 ft (2,740 m).

The report makes five recommendations:

1 Manufacturers of flight recorders that use buffering techniques (temporary storage of data before its permanent recording) should consider making the buffers non-volatile, so that the data is recoverable after power loss.

2 Authorities responsible for airworthiness should reconsider still allowing buffered data to be stored in a volatile memory (which would not retain data in the event of power loss).

3 Authorities should consider requiring cockpit voice recorder systems to contain a back-up power supply to enable the recorder to function after the loss of the aircraft's electrical power supply.

4 The Department of Transport should fund a study to devise methods of recording violent pressure pulses, preferably using the aircraft's flight recorder systems.

5 Authorities and aircraft manufacturers should aim to identify measures to mitigate the effects of explosive devices and to improve the resistance of aircraft to explosions.

Commenting on the report, the Secretary of State for Transport, Mr Cecil Parkinson, said that it was an excellent example of the 'unique and meticulous' work of the AAIB, and would be of great value to the aviation industry. 'The loss of Pan American flight 103 was an enormous disaster in human terms. The scale of the tragedy made this investigation by far the largest ever conducted by the AAIB. . . . their report will have its place in aviation history.'

Sources: Department of Transport news releases, 11.9.90.

ENVIRONMENTAL, SOCIAL AND CULTURAL AFFAIRS

Environmental Policy

The Government has set out its strategy for the environment in a White Paper published on 25 September. It reviews past and current policies and summarises future targets. Among its aims are preservation and enhancement of Britain's natural and cultural heritage; efficient use of energy resources; reduction of global warming, ozone depletion and acid rain; protection of air and water; strengthening of controls over waste; continuation of research; and full British participation in international initiatives.

Welcoming the White Paper,[1] the Secretary of State for the Environment, Mr Chris Patten, said that it was the first comprehensive statement of government policy on the environment, 'ranging from the street corner to the stratosphere'. It mapped out the main areas of environmental concern and the measures which the Government was adopting to deal with them in Britain, in the European Community and worldwide. It contained more than 350 actions and proposals, some of which had already been announced, while others were new. The White Paper demonstrated a government commitment to making the fullest information about the environment available to the public, so that everyone could become an environmental watchdog.

The Government was determined that Britain should continue to play a full part in dealing with world environmental issues. Everyone, he said, cared about the environment and wanted clean streets, healthy air and greener countryside. However, some solutions to current problems would be costly, and people would have to pay for improvements, whether as consumers or taxpayers: 'In the end, people will have to decide for themselves how much they are prepared to pay, financially and by their own efforts, for a greener and cleaner environment.'

The Government would, Mr Patten said, proceed at a pace which Britain could afford and which matched progress in other countries. Policies would be based on the best scientific evidence, although the Government would not hesitate to take precautionary action where there was a significant risk to health or the environment. Mr Patten concluded that everyone had a part to play: 'Parliaments can pass laws . . . but the environment will improve only if people have the will to do what lies in their own hands.'

[1] *This Common Inheritance: Britain's Environmental Strategy.* Department of the Environment. Cm 1200. HMSO, £24·50 (supplied with a free summary, also available separately at £2·50). ISBN 0 10 112002 8.

GOVERNMENT PROPOSALS

The White Paper lists the actions that the Government is already taking, or proposes to take, to improve the environment. These cover a wide range of problems, from global issues, such as climate change and ozone depletion, to very local matters, such as noisy neighbourhoods or historic church buildings in need of repair. The White Paper is divided into six sections, covering the Government's approach; the greenhouse effect; town and country; pollution control; awareness and organisation; and Scotland, Wales and Northern Ireland.

The Government's Approach

The White Paper sets out the Government's basic approach to the environment. It stresses a continuing commitment to economic growth, which is 'still needed to provide the resources to clean up the pollution of old industries and to produce the technology to accommodate tomorrow's industrial processes to cleaner surroundings'. The foundation of government policy is the responsibility, owed by the present generation towards those yet to come, to preserve and enhance the environment.

The White Paper reaffirms the Government's belief that those who cause environmental damage should bear the consequences, on the 'polluter pays' principle. It also says that, where there are significant risks to the environment, the Government will be prepared to take action without conclusive scientific knowledge, where the likely balance of costs and benefits justifies it – the so-called precautionary principle.

A contrast is drawn between two different types of government action: regulation and the use of market forces. In the past, the White Paper says, governments have generally used regulation to control pollution – for example, the legislation that cleaned up air pollution in London. However, because of limitations in this approach, the Government has begun to look to more market-based means of controlling pollution – for example, by means of pollution charges. Possible market-based mechanisms include deposit or refund schemes on products such as bottles; tradeable emission quotas; and levies on products that are difficult to dispose of, such as car tyres. An annex to the White Paper looks in more

detail at such economic instruments for environmental protection.

The measures that Britain is taking, and will continue to take, to deal with international problems are also examined. The Government would press for European Community action on, among other things:

- energy efficiency standards;
- the integration of agricultural and environmental policies; and
- the adoption across Europe of a system of integrated pollution control.

The countries of Eastern Europe will be helped to improve their environments, by the provision of advice and training, for example. Global environmental problems are also being tackled by such measures as:

- government grants to encourage good tropical forest management;
- government support for conservation projects to protect endangered species, such as the African elephant and the black rhinoceros; and
- support through the overseas aid programme for developing countries attempting to restrain population growth.

The Greenhouse Effect

The White Paper refers to steps already taken to increase scientific understanding of climatic changes that could be caused by the increasing 'greenhouse effect'. It mentions, for example, the British contribution to the work of the Intergovernmental Panel on Climate Change (see p 222). In May 1990 the Prime Minister, Mrs Margaret Thatcher, opened the Hadley Centre for Climate Prediction and Change (see pp 222-4), which will assess the potential impact of climate change and study abatement strategies. The Government has already committed itself to measures that will help prevent global warming.

The White Paper reaffirms Britain's willingness to stabilise carbon dioxide emissions at 1990 levels by 2005, provided other countries do the same (see p 223). Likewise, the agreement at the second meeting of parties to the Montreal Protocol to ban chlorofluorocarbons (CFCs) and other ozone-depleting substances (see pp 256-8) will also help prevent global warming, owing to the strong greenhouse properties of these substances. New building regulations (see p 354), introduced in April 1990, are among steps already taken to promote energy efficiency.

The White Paper outlines proposed government measures to help tackle the problem, including:

- more efficient use of energy (see p 354);
- competition among electricity generators as an incentive to efficient electricity generation;
- the wider use of waste heat from electricity generation;
- higher thermal insulation standards for new buildings;
- new renewable generating capacity of 1,000 megawatts by the year 2000 (see p 353), which would represent about a tenfold increase in renewable capacity;
- an extension of the MoT test (the annual roadworthiness test for vehicles) to improve the tuning of vehicles; and
- high levels of investment by British Rail and London Transport, and steps to make buses a more attractive means of transport.

Consideration will also be given to further changes in the taxation of fuels and vehicles, which might encourage people to seek greater fuel economy. The Government will encourage tree planting (see pp 352-3), so as to promote the absorption of carbon dioxide, and will urge the European Community to introduce an energy efficiency labelling scheme for electrical appliances and to set minimum efficiency standards for certain domestic and industrial appliances.

The White Paper says that 'taking action on all greenhouse gases together, the global warming potential of Britain's emissions in 2005 should fall significantly, by approximately 20 per cent compared with levels in 1990'.

Town and Country

The White Paper points to various measures that have been, or are being, taken to protect the environment through policies on land use and planning control, wildlife protection, urban environments and heritage protection. These include the doubling of Green Belt area in the past decade and the introduction of a new system of environmental impact assessment, which requires the implications of major development projects to be examined in a systematic way. Encouragement is being given through the planning system to build in towns, thus revitalising urban centres and preserving the countryside. The number of listed buildings in England nearly doubled between 1975 and 1989, and a national survey to update the list is nearing completion.

Further proposals are outlined in the White Paper. These include:

- a new streamlined system of county structure plans (see p 361);
- mandatory district-wide coverage of local plans;
- better enforcement of planning control;
- extension of the existing Tree Preservation Order system to cover hedgerows;
- legislation to improve compensation payments where homes are affected by major new developments;
- a duty on local authorities to prepare registers of contaminated land;
- government encouragement for organic farming;
- the introduction in London at the earliest opportunity of 'red routes' with stringent restrictions on parking to help the flow of traffic;
- a building programme for national museums and galleries;
- improved protection for ancient monuments; and
- English Heritage grants to repair historic cathedrals, churches and comparable buildings of other denominations.

The White Paper says that consideration will be given to extending planning controls to cover the demolition of houses and the installation of satellite dishes. The Government will seek to develop policy guidance on planning to conserve energy. Further steps to bring vacant public-sector land back into use will be examined. The Government will attempt to develop better arrangements for the management of, and access to, common land. It will also work towards the designation of new marine nature reserves. Consultations will be held on the proposals in a recent report on the care of redundant churches (see p 226).

Pollution Control

The White Paper points to the proposed introduction of integrated pollution control in the Environmental Protection Bill (see pp 81-4). British emissions of sulphur dioxide – the main source of acid rain – have fallen by a quarter over the previous ten years, and further cuts will be made (see pp 149-50). Measures are being taken to cut marine pollution and to clean Britain's bathing waters (see pp 121-2). A ban on stubble and straw burning is being introduced in the Environmental Protection Bill (see p 479, 1989, and p 84).

Further measures to control all forms of pollution include:

- a new expert panel to advise on air quality standards, upon which actions will increasingly be based;
- the extension and improvement of existing arrangements for monitoring air pollutants, with information being made widely available;
- the establishment for different pollutants of 'critical loads' (the level up to which a particular environment can tolerate pollutants without adverse effects), so as to target effective action where it is most needed;
- an increase to £20,000 in the maximum fine which magistrates' courts can impose for water pollution offences;
- the establishment of a strict environmental regime for waste disposal;
- the introduction of a system of recycling credits, so that savings in landfill costs are passed on to those who remove material for recycling;
- discrimination in favour of recycled products in government purchasing;
- an environmental labelling scheme to take account of the recycled content and recyclability of products;
- a full-scale review of nuclear policy (see pp 353-4) in 1994, prior to which all nuclear waste arising from post-1976 contracts must be returned to overseas customers;
- mandatory controls over the duration that burglar alarms can sound for;
- strengthened penalties for noise nuisance;
- the phasing-out and safe destruction of all identified polychlorinated biphenyls by the end of 1999; and
- steps to ensure the safe use of genetically modified organisms (GMOs – see p 83).

Various other measures are also under consideration. Her Majesty's Inspectorate of Pollution is to be made a candidate for becoming a 'Next Steps' agency (for the Next Steps initiative, see pp 94 and 261-2, 1988, and p 407, 1989). The Government will press for a new European agreement to control low-level ozone and the incineration of toxic waste. A pilot 'quiet neighbourhood' scheme will be introduced. Research projects will be undertaken into a wide variety of topics, including ways of recycling building and mining wastes; nuisance caused by night flying; and GMOs. Further research will be undertaken on nuclear safety and medical aspects of radiation.

Awareness and Organisation

The White Paper stresses the need to base policies on the best scientific, technical and economic evidence. Consultation with the public is also necessary to ensure that the Government is open to positive suggestions on how to perform better. Britain supports many international research agencies and programmes, including the United Nations Environment Programme, the World Meteorological Organisation and the Intergovernmental Panel on Climate Change. Non-governmental organisations are also funded to assist their work on the environment. The Government has supported European measures that will make environmental information held by public authorities open to the public.

Further measures to increase understanding and awareness of the environment and to improve the contribution of the education service are set out. These include:

- increased expenditure on environmental research;
- increased environmental monitoring;
- a regular statistical report on the British environment;
- more environmental education in the National Curriculum (see p 426, 1987);
- a ministerial committee to co-ordinate the Government's approach to environmental issues;
- a minister in each government department responsible for its environmental policies; and
- a fund to finance specific environmental initiatives by voluntary organisations.

Consideration will also be given to various other measures. The Government will, for example, determine whether food labels will be obliged to give details of food production methods and crop treatments. It will also decide whether to legislate to make clear that environmental claims for goods and services must be capable of substantiation. The Government will press the European Community to introduce an environmental labelling scheme; if necessary, it will unilaterally establish a British scheme.

Scotland, Wales and Northern Ireland

A special section of the White Paper examines environmental developments in Wales, Scotland and Northern Ireland. A large amount has already been achieved, including the designation of many nature reserves, as well as Sites of Special Scientific Interest in Wales and Scotland, National Scenic Areas in

Scotland and Areas of Special Scientific Interest in Northern Ireland. Urban decay is being tackled through special programmes.

Among the further measures outlined are:

- the establishment of the Countryside Council for Wales (see p 82);
- continued action to tackle urban decay in Wales through programmes such as the Cardiff Bay Development Corporation and the Programme for the Valleys (see p 33, 1987, and p 103, 1989);
- continued protection for the Welsh historic heritage through the work of Cadw, which manages Welsh historic properties;
- the establishment of Scottish Natural Heritage (see p 294);
- the extension of urban renewal to medium-sized Scottish towns such as Alloa and Kilmarnock;
- completion of the survey and declaration of Areas of Special Scientific Interest and Areas of Outstanding Natural Beauty in Northern Ireland; and
- the completion by 1995 of the Northern Ireland survey of historic monuments and the completion by 1994 of the listing of pre-1960 buildings of special architectural or historic interest.

Consideration will be given to the establishment of National Parks in Scotland in the mountain areas of the Cairngorms, Loch Lomond, Wester Ross and Ben Nevis/Glencoe/Blackmount.

United Nations World Summit for Children

The World Summit for Children took place at the United Nations headquarters in New York on 29 and 30 September. A declaration on the survival, protection and development of children was approved by the heads of State or Government of 72 countries, including Britain.

Declaration and Plan of Action

At the summit, the heads of State or Government agreed to set specific goals for the 1990s and to implement a ten-point plan of action to achieve them.

The first goal was to urge all governments to promote ratification of the Convention on the Rights of the Child, which was unanimously adopted by the UN General Assembly in 1989. The Convention, which Britain has signed, contains a comprehensive set of international legal norms for the protection and well-being of children. Other goals, to be achieved by the year 2000, include:

- reducing the deaths of children under five throughout the world by a third;
- halving the number of maternal deaths;
- reducing malnutrition among children under five by a half;
- providing universal access to safe drinking water and sanitation;
- providing universal access to basic education and completion of primary education by at least 80 per cent of primary school age children; and
- protecting children in especially difficult circumstances. These include homeless children; victims of abuse, drugs, and armed conflict; refugee children; and children who are exploited sexually or as labourers.

In signing the declaration, world leaders have also committed themselves to making resources available to reach the stated goals. It was agreed that the United Nations agencies should monitor implementation of the plan, and that the Secretary-General should carry out a review of progress in 1995.

Shorter Note

DEVELOPMENT PLANS

The Government intends to streamline the development plan system in England and Wales and to speed up the process of preparation and approval. It has decided that this can best be achieved by retaining county structure plans, a change from earlier proposals set out in the White Paper of January 1989 (see pp 76-7, 1989).

Outside London and the metropolitan areas, the present system consists of structure plans, drawn up by the counties, and local plans, which are normally prepared by the districts. Structure plans, which require ministerial approval, set out broad policies for development and other uses of land. Local plans give detailed guidance on development, and must conform generally to the approved structure plan. They can be adopted by the planning authorities without being subject to ministerial review unless 'called in' by the Secretary of State. The 1989 White Paper proposed that structure plans should be abolished and replaced with statements of county planning policy, dealing with the key issues.

In an announcement on 24 September about the decision to retain structure plans, the Secretary of State for the Environment, Mr Chris Patten, said that the aim of proposals for the reform of the development plan system had always been to simplify the planning process and to improve its efficiency. There was now much wider agreement on the direction in which the system should move than there had been when the original proposals were published. It should therefore be possible to achieve the necessary changes within the present system, rather than by completely recasting it. 'We have concluded that the best way forward will . . . be to retain the county structure plan as part of the development plan, alongside the . . . local plans.'

Mr Patten stressed, however, that important changes were necessary in the form and content of structure plans, and in the procedures for handling them. The Government wanted structure plans to cut out detail and concentrate on the key strategic planning issues, and to simplify and speed up struc-

ture plan procedures. It therefore intended, when there was a legislative opportunity, to end the requirement for ministerial approval of structure plans and alterations to them.

It was also essential, Mr Patten continued, to move rapidly to full district-wide coverage of local plans. The Government would proceed with legislation to make district-wide plans a mandatory requirement and to simplify procedures for their adoption and review. Provision would also be made for park-wide plans in the National Parks.

Source: Department of the Environment news release, 24.9.90.

DOCUMENTATION

Government and Administration

The Police and Public in England and Wales: A British Crime Survey Report. Contains findings from the 1988 British Crime Survey and concludes that 85 per cent of the public felt that the police in their area were doing a good job. This does, however, indicate some erosion in support for the police: in the first British Crime Survey in 1982 the equivalent figure was 92 per cent. Home Office Research Study 117. HMSO, £6·25. ISBN 0 11 340995 8.

External Affairs and Defence

Britain in the European Community. COI, No 73/90.

Observations by the Government on the Fourth Report from the House of Commons Foreign Affairs Committee on German Unification: Some Immediate Issues (see p 325). Cm 1246. HMSO, £2·95. ISBN 0 10 112462 7.

The British Council Annual Report and Accounts 1989-90 (see pp 342-5). Available free from the British Council, 10 Spring Gardens, London SW1A 2BN. ISBN 0 86355 105 X.

Economic and Scientific Affairs

United Kingdom National Accounts 1990 Edition (see pp 348-50). Central Statistical Office. HMSO, £13. ISBN 0 11 620444 3.

The Retail Prices Index. Thirty-fourth Report from the House of Commons Committee of Public Accounts, Session 1989-90. HMSO, £7·85. ISBN 0 10 232290 2.

GATT Activities 1989: An Annual Review of the Work of the GATT. General Agreement on Tariffs and Trade. HMSO, £8. ISBN 92 8 701051 X.

New Earnings Survey 1990. Part A: Streamlined and Summary Analyses: Description of the Survey. Department of Employment. HMSO, £10·75. ISBN 0 11 728808 X.

Industrial Development Act 1982 (see pp 354-5). Annual report by the Secretaries of State for Trade and Industry, Scotland, Wales, and Employment for the year ended 31 March 1990. HMSO, £9·25. ISBN 0 10 260090 2.

Locate in Scotland Review 1989-90. Annual report on activities of the Scottish inward investment agency. In 1989-90, 64 projects were announced, bringing planned investment of some £853 million and the intended creation or safeguarding of nearly 12,300 jobs. Available free from Locate in Scotland, 120 Bothwell Street, Glasgow G2 7JP.

Merger Control in Europe. The Main Provisions of EC Regulation 4064/89. The booklet outlines the merger control regulation affecting European Community member states which came into force in September 1990. The regulation will give business greater certainty about when Community jurisdiction will apply and how it will be exercised. Mergers with a Community dimension will now be subject to examination by the European Community. Available free from the Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

Reform of Trade Marks Law (see pp 355-6). Cm 1203. Department of Trade and Industry. HMSO, £5·90. ISBN 0 10 112032 X.

British Tourist Authority. Annual Report for the Year Ended 31 March 1990. Gives details of the Authority's work over the past year, in developing tourism within Britain and in promoting visits from abroad. More than 17 million visitors to Britain spent nearly £7,000 million in 1989. Available from the British Tourist Authority, Thames Tower, Black's Road, London W6 9EL. £5. ISBN 0 7095 4447 2.

Intervention Board for Agricultural Produce. Annual Report 1989-90.HMSO, £6. ISBN 0 11 701486 9.

Agriculture in Scotland: Report for 1989. Department of Agriculture and Fisheries for Scotland. HMSO, £6·55. ISBN 0 10 112042 7.

The Burning Has to Stop. Alternatives to straw and stubble burning, which is to be banned after 1993 (see p 479, 1989). Ministry of Agriculture, Fisheries and Food. Available free from MAFF Publications, London SE99 7TP.

Monitoring of Forest Condition in Great Britain 1989. J.L. Innes and R.C. Boswell (Forestry Commission Bulletin 94). HMSO, £8·50. ISBN 0 11 710293 8.

Forest Nature Conservation Guidelines (see p 352). Forestry Commission. HMSO, £4·50. ISBN 0 11 710292 X.

Nuclear Electric. Report and Accounts 1989-90. Available free from Nuclear Electric plc, Barnett Way, Barnwood, Gloucester GL4 7RS.

Water Supply in Britain. COI, No 135/90.

Transport Statistics Great Britain 1979-1989. Department of Transport. HMSO, £19·95. ISBN 0 11 550987 9.

The Transport of Goods by Road in Great Britain 1988. Department of Transport. HMSO, £9·95. ISBN 0 11 550985 2.

British Shipping: Challenges and Opportunities (see p 356). Report by a Joint Working Party chaired by the Secretary of State for Transport and the President of the General Council of British Shipping. Department of Transport. HMSO, £5·95. ISBN 0 11 550988 7.

Report on the Accident to Boeing 747-121 N739 PA at Lockerbie, Dumfriesshire, Scotland on 21 December 1988 (see pp 356-7). Air Accident Report 2/90. HMSO, £18. ISBN 0 11 550981 X.

Environmental, Social and Cultural Affairs

This Common Inheritance: Britain's Environmental Strategy (see pp 358-61). Department of the Environment. Cm 1200. HMSO, £24·50 (supplied with a free summary, also available separately at £2·50 – see below). ISBN 0 10 112002 8.

This Common Inheritance: A Summary of the White Paper on the Environment. HMSO, £2·50. ISBN 0 11 752334 8.

Indicators of Comparative Regional/Local Economic Performance and Prospects. Department of the Environment. HMSO, £6·75. ISBN 0 11 752336 4.

Regenerating the Inner Cities. Thirty-third Report from the House of Commons Committee of Public Accounts, Session 1989-90. HMSO, £7·15. ISBN 0 10 221690 8.

Housing in Britain. COI, No 86/90.

Homelessness in Scotland – A Study of Policy and Practice. George Duguid. Scottish Office Central Research Unit. Available from the Scottish Office, Room 1/44, New St Andrew's House, Edinburgh EH1 3TG. £5. ISBN 0 7480 0333 9.

Annual Report: The 23rd Report of the Countryside Commission 1989-90. Available from Countryside Commission Publications, 19-23 Albert Road, Manchester M19 2EQ. £5. ISBN 0 86170 261 1.

Control of Freshwater Pollution in Britain. COI, No 346/90.

Meteorological Office Report for the Period 1 January 1989 – 31 March 1990. Presented by the Director-General to the Secretary of State for Defence. HMSO, £3·75. ISBN 0 11 400361 0.

Marriage and Divorce Statistics: Historical Series of Statistics on Marriages and Divorces in England and Wales, 1837-1983. Office of Population Censuses and Surveys series FM2. HMSO, £10. ISBN 0 11 691322 3.

On the State of the Public Health. The annual report of the Chief Medical Officer of the Department of Health for 1989 reveals a general fall in the death rate in Britain in the 1980s, although the health of young adults is giving cause for concern. The infant and perinatal mortality rates in England are the lowest ever recorded. HMSO, £11·95. ISBN 0 11 321290 9.

Health and Personal Social Services Statistics for England: 1990 Edition. Department of Health. HMSO, £10·85. ISBN 0 11 321317 4.

Aspects of Primary Education: The Teaching and Learning of Drama. (An Inspection Review.) Her Majesty's Inspectorate. HMSO, £3·50. ISBN 0 11 270720 3.

The Outdoor Classroom: Educational Use, Landscape Design and Management of School Grounds. Building Bulletin 71. Department of Education and Science. HMSO, £12·95. ISBN 0 11 270730 0.

Higher Education in the Polytechnics and Colleges: Computing and Mathematics. Her Majesty's Inspectorate. HMSO, £5·95. ISBN 0 11 270732 7.

Higher Education in the Polytechnics and Colleges: Science. Her Majesty's Inspectorate. HMSO, £4·50. ISBN 0 11 270718 1.

Women and Men in Britain 1990: Comparative Gender-related Statistics for England, Scotland and Wales – Including Sub-regional Breakdowns. Equal Opportunities Commission. HMSO, £6·20. ISBN 0 11 701497 4.

Report of the Broadcasting Complaints Commission 1990. HMSO, £13. ISBN 0 10 250790 2.

Cable Authority Annual Report and Accounts 1989-90. Available from the Cable Authority, 38-44 Gillingham Street, London SW1V 1HU. £5.

Report of the Gaming Board for Great Britain 1989-90. HMSO, £6·60. ISBN 0 10 247190 8.

ISBN 0-11-728642-7

Annual subscription including postage **£27.50 net**
Single issues **£2.30 net**
Index **£1.10 net**

ISSN 0039-6214

Printed in the United Kingdom for HMSO
Dd 8932191, C7, 10/90, GP 3385/2, CCN 16268